The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

MELVILLE BLAKE

Interviewed by: Thomas Dunnigan

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Q: This is Thomas Dunnigan speaking on August 25, 1999. Today, I will be talking with Melville Blake, a retired Foreign Service officer, who spent more than 35 years in the field of foreign affairs. Mel, why don't we begin with you telling us something about your background, education, and service in the military?

BLAKE: I was born in Lexington, Mississippi, June 29, 1924. My family actually lived on Mileston Plantation just north of Yazoo City. Daddy was manager of the plantation, and we lived there until 1931 when the plantation was sold as one of the consequences of the Depression. The family then moved to Lexington where I was educated in the public schools. From an early age, I was interested in becoming an Army officer. In part, I was influenced by our neighbor's son, Major Jack Tacket. One of his last assignments was as military attachï¿½ in South America. He was such a suave fellow, walking around the courthouse square in his cavalry boots and uniform.

After graduating from Lexington High School in 1941, I went to Mississippi State College with the object of staying there a year or two and then entering West Point. Congressman Will Whittington had promised my father that he would give me an appointment to the academy. As Lexington had a rather primitive school system, my parents didn't feel that I would be prepared to take the entrance examinations, and I quite agreed with them. Also, I was only 16 years old when I finished high school, and one had to be 17 or 18 to enter West Point in those days.

Unfortunately, in my senior year of high school, I was found to be myopic. Then, in the summer of 1942, I was given an examination in New Orleans at the naval air station at Mr. Whittington's request, and I was told my eyesight was so bad that I would never get into West Point. I went back to Mississippi State for a second year. The war had begun, and I was anxious to get into it; however, so many young Southerners were volunteering for the military that the Selective Service system imposed a requirement that one had to "volunteer" to be drafted, and the waiting period for volunteers to be called up approached a year.

I went into the army in June 1943, was commissioned in 1945, and stayed in the military with the object of making the army a career. In 1946-47, I was a Company Commander with the reconstituted Philippine Scouts on Luzon. However, in early 1947, I concluded that the last thing the army needed was one more ill-educated southern officer, so I decided to get out and finish college. I chose to study in the field of foreign affairs and, specifically, at Georgetown University because I thought that perhaps I would like to pursue a career as a military attachï¿½. At Georgetown, I met, for the first time, my cousin Robert Edgar Wilson, who was in the Foreign Service and a specialist in Latin American affairs. I finished Georgetown in 1949.

During my last semester at Georgetown, I was back in the army, and had the opportunity to become a career officer, but I would have had to revert to second lieutenant. I was 25, and the thought of being a 25-year old second lieutenant who was not a West Pointer and competing with West Pointers who were several years younger made me feel that I would be behind the power curve in a military career. I began to reconsider my career options, and Bob said, "Well, why not join the Foreign Service? If you don't like it, you can get out, and it will look great on your rï¿½sumï¿½."

I worked as an editor at the Central Intelligence Agency for a year. In 1950 I was offered the opportunity to become a Kreis resident officer in Germany under the post war transition from military occupation.

Q: Excuse me, Mel. What is a Kreis?

BLAKE: A Kreis is a county in Germany. A Land is a state. We had a Foreign Service officer in each Kreis in the American military zone of occupation. These officers served under the High Commissioner, who reported to the State Department. I was recruited as a Kreis Resident Officer, but just before I was to leave Washington, I was called in by Alan James, a newly minted Foreign Service officer working in Personnel. Alan said rather accusingly, "Mel, you are not married. We want married Kreis resident officers. We want the wives to work at the PTA and with women's groups as part of the overall democratization of German society." I replied, "If you look at my application, you will see that I checked 'S' under marital status." He said, "Well, yes, that's true. We somehow overlooked that. Would you mind very much if we sent you to the Consulate General at Frankfurt for the Displaced Persons Program?"

That seemed, in a sense, more mainstream Foreign Service work than being a Kreis resident officer, so I readily agreed. I arrived in Germany on January 15, 1951, and was assigned by the Consul General to the Schweinfurt Displaced Persons Camp. The Consul General in Frankfurt was Albert Doyle. He wore three hats, as he was Consul General for the Frankfurt consular district, supervising Consul General for Germany, and State Department Coordinator of the Displaced Persons Program for Europe (Germany, Austria, and Italy).

Q:  Excuse me, could you explain who these displaced persons were?

BLAKE:  In Germany after the war, there were millions of displaced persons who, for one reason or another, would not go back to the country from whence they came.  Some of them were Jews who had been in the concentration camps.  There were Eastern European forced laborers of all religions who had worked in German factories or had been indentured labor in a variety of jobs, for example, as housemaids or cleaning staff in offices, etc.  Then, there were non-Germans who had seen the Russian armies coming and had fled ahead of them because they believed they would have a better life under western control than under Soviet control.  Finally, the Displaced Persons Act authorized Americans to adopt orphans who were the progeny of displaced persons; this was the first such provision in U.S. immigration legislation.

The Displaced Persons Camp at Schweinfurt handled all applicants except orphans who received visas only at the Frankfurt Consulate General.  To the best of my recollection, we did not have any people from Asia or Asiatic parts of the Soviet Union at Schweinfurt.

Q:  What did you do with them there?

BLAKE:  The Schweinfurt Camp was similar to other displaced persons camps in that officials from three U.S. Government agencies were involved.  First, there were Displaced Persons Commission representatives who processed people for visas.  They were responsible for obtaining medical examinations, vetting the applicants, obtaining the security records, and housing and feeding applicants in the camp.  Second, we consular personnel received the applications for visas and considered applicants on the basis of admissibility under both applicable visa law and the special provisions of the Displaced Persons Act.  The third entity at a displaced persons camp was a representative of the Immigration and Naturalization Service (INS) who took the visas and supporting documents from the consular officer and reviewed them to be sure the applicant would be admitted to the United States.  He functioned as though he were an INS officer at a port of entry, although the INS officers at the actual ports of entry in the United States had general oversight authority, and the right to refuse somebody even though the applicant had been passed by an INS officer abroad.  That happened very rarely, however.In addition to the U.S. Government agencies at Schweinfurt and other displaced persons camps, there also were representatives of voluntary agencies, such as, the Hebrew Immigrant Aid Society, Catholic Relief Services, etc.  These agencies were responsible for finding sponsors and jobs in the United States for visa applicants, helping them depart from the displaced persons camps, meeting them when they arrived in the United States, and helping them get settled in their new homes.

Q: Let me ask, obviously among these thousands of displaced persons, there must have been some Nazi sympathizers. How were they able to be weeded out?

BLAKE: Perhaps the most important tool in the security process was the Berlin Document Center. The Nazis were incredible record keepers. After the war, we gathered up all the documents we could find throughout Germany and put them all in the Berlin Document Center, a very important cache of documents. It was remarkable the sort of details the center held. It had, for example, all the details of where a displaced person came from in Poland or Lithuania, when he was picked up, when he was sent to Germany, where he had worked in Germany, what vetting had been done to him, looking at him as a security problem from the Nazi point of view. On several occasions, it initially appeared that a displaced person had no political leanings whatsoever. Then, subsequent records indicated that he appeared to have been a Nazi, and then appeared to have been something else. I recall once, I was interviewing a fellow, and I said, "You have a dubious background." I ran through his records. He was astonished, as most of them were, that we had such detailed data. This fellow finally said, "Look, I was picked up in my village. I was sent off, and it was a matter of survival, so I would find out what the people who were holding me wanted to hear, and I would tell them that. That was the way I kept myself alive."

Q: Now, you mentioned the visas and coming to the U.S. Were any of these people or many of them sent to other countries? Would other countries accept them or not?

BLAKE: At the Schweinfurt Camp, there were also an Australian and a Canadian immigration officer. Each of these officers had absolute authority to accept or reject applicants, and there was no appeal from their decisions.

Q: Well, how long did you stay there?

BLAKE: I stayed there for about three months, and, when that camp was closed, I was assigned to head up the visa operations at the Hanau displaced persons camp. The operations at Hanau were the same as at Schweinfurt. I stayed there until January 15, 1952, when Albert Doyle asked me to return to Frankfurt to become his Deputy Coordinator for the displaced persons program.

Q: Quite a promotion.

BLAKE: Well, it surprised me. I think a factor that had something to do with me getting this "August" position was that I was single and the job involved a lot of travel. I spent a good deal of time going to the Salzburg, Austria, displaced persons camp, I toured the camps within Germany, and I'd also spend a week out of every month in Berlin. The United States had no camp there; we would hold the visa applications at the Berlin Consulate, and I would go up and take care of them each month. An additional responsibility was the issuance of visas to orphans adopted by U.S. citizens, including my Cousin, Bob Wilson.

Q: But, you were based in Frankfurt.

BLAKE: I was based in Frankfurt. The program ended on June 30, 1952. I stayed around for about a month after that writing a report on the program. Then, the personnel people in Bonn at HICOG had the job of deciding what to do with me. They were more impressed with the title of Deputy European Coordinator than was warranted. They said you can't just go back and be a visa officer after this and, so, assigned me as Principal Officer of the Consulate at Bremerhaven. Bremerhaven had been a consulate from, I think, about the 1870s until 1928, when it was closed for budgetary reasons. However, as Bremerhaven was the only U.S. military port for Germany, the Consulate was reopened in 1946.

Q: What staff did you have in Bremerhaven?

BLAKE: The State Department opened Bremerhaven primarily to deal with seamen. Bremerhaven was the sole U.S. military port of entry and received, on an annualized basis, 95 ships a month. They were a mix of Defense Department ships in the Military Sea Transport Service (MSTS) and U.S. maritime ships, including both luxury liners and freight ships. Shipping and seamen's affairs were our principal activities. Bremerhaven performed most consular services for American citizens, although it could only take passport applications, which were then forwarded to Bremen for the issuance of the passport.

We could, however, issue Loss of Citizenship certificates when an American wanted to renounce citizenship. I had several disgruntled seamen insist on renouncing their citizenship, and I would take the application and put it in the safe. Invariably, they would come back in a week or so for some service, primarily a loan, and I would remind them of the renunciation of citizenship. After a time, they always asked whether they could renounce the renunciation, and I would reply that I had found the application in the safe and would tear it up.

Because destitute Americans could work their way back to the United States, there was considerable activity in assisting these persons, mainly college-age Americans who were touring Europe and ran out of money. Moreover, the Consulate was responsible for all fisheries reporting out of Germany.Foreign Service families on assignment to Germany occasionally arrived by a U.S. Lines passenger ship, and I would meet them and get them on their way to their post. Once, however, I was asked to see off a departing Foreign Service officer. Ambassador George Kennan and his wife left Europe from Bremerhaven after he had been declared persona non grata by the Soviet Union. He was the author of an article in Foreign Affairs under the nom de plume "X" while he was head of the Department's Policy Planning Staff during the late 1940s. In this article he spelled out a containment policy to govern relations for the United States and Western Europe viz-a-viz the Soviet bloc. This policy was followed for some four decades, until the fall of the Soviet Union and the demise of its bloc.

Ambassador Kennan was appointed to Moscow by President Truman shortly before he left office. By then X had been identified as Kennan. The Soviets reluctantly accepted him as ambassador and began looking for ways to get rid of him. As it happened, incoming Secretary of State John Foster Dulles did not care for Kennan. I don't recall why, but suspect that he disliked the intellectual competition. Any way, in February or March 1953, the Soviets declared Kennan persona non grata and he left Moscow.

One evening I received a telephone call from Byron Snyder, the Deputy Principal officer at Frankfurt, that Kennan would be leaving on the SS "United States" from Bremerhaven the next morning. Snyder had been called by a senior Foreign Service officer at Bonn that Kennan's friends there considered it a shame that he would be leaving Europe without a send-off. No one, it seemed, actually wanted to contact him for fear that word would get back to Washington and tarnish relations with the new Secretary. As I was at Bremerhaven, it would be appropriate for me to see Ambassador and Mrs. Kennan off.

I went to the Kennans' stateroom the next morning. The Ambassador and Mrs. Kennan expressed pleasure that I had come. I explained that their friends in Germany had wanted to be there but were unable to make it. The Ambassador expressed understanding of the work pressure they were under, given a new Administration. After 15-20 minutes, I bade them bon voyage and wished the Ambassador good luck on his next appointment. He thanked me again for coming to the ship, then added, somewhat quietly and sadly, "But, I won't be having another appointment." And he didn't.

Arising out of the military occupation, the Principal Officer had the somewhat unusual job of serving as committing magistrate under the occupation judicial code. Civilian employees of the U.S. Defense Department who were arrested by Army Military Police or the Navy's Shore Patrol were brought to a magistrate's court, which would consider whether they should be held for trial by a military court. If they were held, they were confined to the stockade. Court was held whenever a person was arrested, and I would go from the Consulate to the military courthouse, don a black magistrate's robe, and hold court. It was a routine chore but did have its lighter moments. Once, a seaman who had deserted a MSTS vessel was brought before me. He was indignant that the military would arrest him even though he was a Defense Department employee, and demanded the seaman's right to see a consular Officer. I granted his wish, left the bench, removed my black robe, and returned to the Consulate. A few minutes later, the Military Police brought him into my office. The seaman recognized me at once and turned on his heel, muttering, "You can't beat city hall."

To discharge my duties, I had a staff of two local employees and a Coast Guard contingent assigned to the Consulate. That contingent consisted of a Lieutenant Commander, a Chief Petty Officer, and a German secretary. The Coast Guard personnel covered all of Northern Europe.

Q: What were your relations with the Consul General in Bremen?

BLAKE: The Principal Officer at Bremerhaven reported to the Consul General at Bremen. Ed MacLaughlin liked to regard himself as having a branch office in Bremerhaven. In fact, he was a little touchy that I had a very close relation with the supervising Consul General in Frankfurt. Quite apart from that, Albert Doyle, as the supervising Consul General, had a very active and aggressive micro manager for his Deputy Principal Officer, Byron Snyder. Byron was a very competent officer, but he wanted to get into everything, so he liked the idea that there was an officer in Bremerhaven with whom he already had a working relationship. Byron would call me several times a week, mainly for assistance in repatriating destitute Americans to the United States. The Consul General at Bremen found this troubling.

Q: What were your relations with the military in Bremerhaven?

BLAKE: Oh, they were superb. My predecessor, a fellow named Jack Smith, said, "After you leave this post, it will be years before you can get it out of your system." I was 28 at the time, and, as the Principal Officer at a consulate, I outranked all the colonels at Bremerhaven. As it happened, there were only Colonels or Captains, which is the Navy equivalent of a Colonel, at Bremerhaven, so I was the ranking American. It was heady stuff, you know, having these Colonels who are old enough to be my father pay their courtesy calls on me after I reported to the post. I must say that they were quite gracious about it.

Bremerhaven was also a special post for another reason. Rozanne and I married on December 31, 1952. Rozanne was a nurse at the army dispensary, which examined military dependents returning to the United States. She was a civilian employee there, but she had been an Army nurse during World War II in the South Pacific.

Q: Now, when and where did you take the Foreign Service Exam?

BLAKE: I first took the Foreign Service Exam while I was a junior at Georgetown and got, as I recall, a 68. Then, I took it again and passed at Bremerhaven. In those days, you had to go back to the United States to take the oral exam, which was only given in Washington.

Q: The written or the oral?

BLAKE: The oral. I took the written at post. Orals were only given in Washington, DC, in those days. That was the old three and a half day written exam. You recall it; you probably took it yourself.

Q: Yes, I did. Now, how long did you remain in Bremerhaven?

BLAKE: When I joined the Foreign Service in 1951, I was a staff corps officer, which meant I held my commission at the pleasure of the Secretary. I had taken exams and been accepted as a career Staff Corps Officer. In 1953, Secretary of State Dulles decided to put the Department through a massive reduction in force. They did that geographically. I was RIFed from Germany in June 1953 since the Department thought that it had a surplus of consular officers in Europe. I got back to the United States on June 29,1953, my birthday. I took the oral exam later that summer, but was failed. Later, I heard that all oral examinees failed. Under pressure from Senator Joe McCarthy, the Department was putting in place a security screening procedure. Until that system was in place, new hires were being held to an absolute minimum, but the Department did not want to cancel oral examinations as this action might have sent the message that it was giving in to McCarthyism.

Q. That was the year, 1953, that the Department canceled the writteexams. I think that you are right.

BLAKE: I left the Foreign Service and took a position with the Loudon Times Mirror in Leesburg, Virginia. My appetite for the Foreign Service, however, had been whetted by Frankfurt and Bremerhaven, and I was all the more interested in a Foreign Service career. After about six months, I was asked to return to the Foreign Service, again in a staff capacity, to work on the Refugee Relief Program (RRP). This program was intended to take care of a category of persons who were forcibly expelled from Eastern Europe and had not met the criteria of the Displaced Persons Act. Primarily, they were people of German extraction who had been expelled from their countries after the War or had fled from their countries because they feared Soviet retaliation. These so-called Volksdeutsche had been a factor in German politics since the 1600s. They and German groups in the United States who supported them felt an injustice had been done, because these people, in many instances, had no control over their fate.

They also presented a more difficult political problem, because many of them had been members of the German army. In fact, the German army recruited minority groups from Eastern Europe into special units, for example, the Latvian Waffen SS. I can't precisely recall the names now, but they would have had a special contingent of Polish Germans in the army or Russian Germans or Ukrainians who were really quite anti-Soviet. These were not people who were necessarily Nazis; they were Germans who felt that they had been treated badly in their countries, and the German military had come, and they were delighted to work with them.

I returned to the Foreign Service on June 29, 1954. Like the Displaced Persons Program, this Program was active in Germany, Austria, and Italy. I arrived at Bonn in early July. Rozanne stayed behind, as she was too pregnant to travel. I studied assiduously for the Foreign Service written exam and passed once again. This was the last three and one-half day written exam given by the Department.

When I reached Germany, the RRP had just been started. There was really nothing for me to do. The office of the supervising Consul General had been transferred from Frankfurt, following Albert Doyle's retirement, to Bonn. Herve L'Heureux had come in as Executive Director - that was actually the chief administrative officer. He also was named the supervising Consul General as he had a strong consular background and had been Chief of the Visa Office in the Department before coming to Bonn. The RRP also was under him. He asked me to take on a rather interesting job as Executive Secretary of the U.S.-German War Crimes Clemency and Parole Board.

Q: Explain about that. There aren't many Foreign Service officerwho have done this sort of work.

BLAKE: True. The war crimes trials, which most Americans know, were the Nuremberg quadripartite trials of the major war criminals, such as Goering and Hess. They were conducted under international auspices and established a new body of international law. After these Nuremberg trials ended, each of the four occupying powers (the United States, France, the Soviet Union, and the United Kingdom) asserted the authority, the right, to try lesser war crimes suspects who were picked up in their military zones of occupation. So, there were four separate war crimes trials, U.S., French, British, and Soviet. The United States also conducted these trials at Nuremberg.

Q: And, as I recall, most of the real scoundrels had fled out of thSoviet zone and into the West.

BLAKE: They really wanted to get out of the Soviet zone of occupation, and those who were unable to make it were treated harshly by the Soviets. In fact, most of them thought that if they could get to the American zone of occupation, they would receive the fairest treatment. Now, lesser war criminals were those whose acts were less heinous than those of Goering, Hess, or the other major war criminals. Some of the U.S. war crimes trials that I recall included the doctors' trial, trials of industrialists who had used captive labor, and persons, either German military or civilians, who had killed downed U.S. airmen or American prisoners of war. We also tried a number of concentration and labor camp officials and guards. Then, there were some notorious characters, for example, Major General Sepp Dietrich, who was Commanding General of the SS division that was involved in the Malmedy Massacre.

Q: Out of which Marlene Dietrich made that great movie, Judgment aNuremberg.

BLAKE: Right. These trials were also held at Nuremberg. Many defendants were given the death sentence, but, for one reason or another, not all were executed. Of course, many had sentences of life imprisonment or lesser sentences. When these trials ended in 1949, there was an entirely different international situation. The Berlin blockade had been imposed, the Cold War was on, and NATO had been established. The United States recognized that it had to change its relationship toward its occupation zone. The military government, under the Department of Defense's control, was ended and replaced by the High Commission for Germany, which was under the Department of State. The British and the French made a similar change. Responsibility for these prisoners was transferred from the military to the High Commission. John J. McCloy was the first High Commissioner.

Q: He was. General Clay was the last military governor, and theMcCloy came in as high commissioner.

BLAKE: That's correct. John McCloy was married to Conrad Adenauer's sister in-law. In fact, there were three sisters. One married McCloy, one married West German Chancellor Konrad Adenauer, and the third married a prominent French diplomat, either the French Foreign Minister or the French High Commissioner for Germany. McCloy recognized that we had to remove the lesser war criminals from the list of issues that could become contentious as we normalized relations with Germany.

Under German law at that time, there was no death penalty. One of the first things McCloy did was to commute the death sentences to life. We then had a situation where we would be holding Germans for life, many of them quite young fellows while, at the same time, also trying to normalize relations with Germany.

Q: Were they held in American prisons?

BLAKE: Yes, the prisoners who had been tried by U.S. courts were held in American prisons maintained by the Army. So, we established - with the French and British - bilateral clemency and parole boards to review these cases. Each bilateral board had five members, three U.S. (or British or French) and two Germans. The first Chairman of the U.S.-German War Crimes Clemency and Parole Board was Henry Lee Shattuck, a prominent Boston lawyer and friend of Secretary of State Dulles. The other U.S. members were Minister Edwin Plitt, a Foreign Service officer whose previous position was as the principal U.S. representative in Tangier, and Army Lt. General Walter Mueller. As for the German members, one was a member of the state supreme court for Baden-Wurttemberg, and the other was a high state Justice Department official from Bavaria.

The Americans always had the voting majority, 3-2. There were a number of 3-2 decisions, but the Americans recognized the correctness of what Mr. McCloy wanted to do and, while maintaining objectivity, redressed a number of injustices and paroled prisoners who had been harshly sentenced or where there might have been flaws in the trial. I recall, for example, one case where the defendant had been sentenced to death on one witness' hearsay and another case where the defense attorney had been absent for lengthy periods during the trial and had commented to the judge that the prosecuting attorney could fill him in on what he had missed that evening. Toward the end, however, policy became even more liberal, and the objective was to remove all prisoners from the U.S. prison.

Petitioners for clemency and parole submitted applications to the Board through HICOG. As Executive Secretary, I reviewed each application, prepared a summary of each petitioner's offences and conviction, and presented the application and related documents to the Board. The Board would then consider the case, decide whether or not the person deserved clemency or parole, and send it back to me. I then would make arrangements for the Board's decision to be communicated to the petitioner. We worked with the legal division of the HICOG. The Prisons Officer, Richard Hagen, received applications from petitioners and communicated the Board's decisions back to them.

When Mr. Shattuck left in mid-1955, he was replaced as Chairman by Mr. Plitt, who asked me to become a Board member. But, I declined for the reason, which Mr. Plitt accepted, that the German members might think that the United States was downplaying the importance of the Board by putting the Executive Secretary, a junior official, on it. Instead, Mr. Hagen was placed on the Board.

Q: Did you get much pressure from the German government?

BLAKE: In the United States and Germany, a number of groups considered it a political (and perhaps business) mistake for the United States to be holding German prisoners for, what could be, some decades; but, I am not aware that the German Government ever attempted to apply pressure on the Board. There was one interesting case, however, which resulted in an outcry. That was the Sepp Dietrich case.

General Dietrich was sentenced to death because he was commander of the division that committed the Malmedy massacre. General Dietrich was convicted for several reasons. First, he was a Waffen SS officer. I should say that the SS could, and did, include the people who had run the concentration camps as well as the Waffen SS, which was somewhat like the green berets in the American army or the commandos. They were shock troops, very aggressive soldiers. Sepp Dietrich had done two things that caused the wrath of the occupiers; yet, they were things that were perfectly natural under the German military procedure. The first was he had given his troops a general order to fight aggressively, so aggressively that a wave of terror would precede them. The second was his pep talk to his troops immediately before they launched the Battle of the Bulge in which he pretty much repeated that exhortation.

If you consider what a football coach tells his team before a game, you will see that what Sepp Dietrich said to his troops was certainly within the realm of gearing up your men. But, if you look at it in terms of the political situation and what happened at Malmedy, it is an entirely different matter. Certainly, it was amenable to misinterpretation. I should say that the German government never put pressure on the American Board members or on anyone else concerning the Dietrich case. Also, I never heard of the German members of the Board, in their individual capacity, urging that the Sepp Dietrich case be taken up. But, inevitably, his application for parole came up, and the Board had to deal with it. After considering the application for a couple of days, the Board decided that Dietrich's crime did not warrant further detention, and he should be considered for parole. The German Government, as best I recall, was restrained in its reaction. The German press treated the decision as a routine news item, but the American press picked it up and gave it some prominence.

This, of course, got back to Washington, and the Office of German Affairs professed to be very embarrassed, saying they would have to review the situation etc. Actually, there was no legal or other basis for overturning the Board's decision. In fact, the Office of German Affairs should not have been so taken aback, because HICOG had reported that the decision had been reached and the bases for reaching it, so that the Department could alert its press office and be prepared to handle the consequences. There was a flurry of indignation in Congress, and Ed Plitt received a back channel message from the Department saying he was really on his own on this. The State Department would not help him in his explanations; rather, as Chairman of the Board, he would have to handle that on his own. He had a couple of interviews, and the affair passed on. I think that the Board made the right decision.

There was a more interesting case related to Malmedy, and that involved the last war criminal in custody. I do not remember his first name, but his last name was Christ. He was a German Captain who was the officer in charge of the tank company that actually committed the Malmedy massacre. Captain Christ had been sentenced to death, and then under this general commutation, his sentence was commuted to life in prison. The Malmedy massacre occurred in mid-December of 1944. Captain Christ had been called to battalion headquarters for a meeting of the officers to get their attack orders for the next phase of the campaign. He left his tank company at dusk, went to headquarters, and then came back a couple of hours later, by which time it was dark. The Lieutenant, his executive officer, had the troops ready to roll, so the tank company proceeded down the road. Christ claimed that he only learned of the massacre at Malmedy several days later. He was sentenced to death, because his troops had committed this outrageous crime. His defense was: "I knew nothing about it. I was not there. I only heard of it several days later. I was as outraged as anyone, but I was immediately captured, so there was never any opportunity for me to do anything about the massacre."

Nevertheless, he was sentenced to death, his sentence then was commuted to life, and he was in prison, where he learned that he could apply for clemency and parole. In the applications, he would have to admit guilt and profess remorse. Christ said, "I did not know of the crime; I had no part in the crime. Of course, I have remorse that it happened, but I can't accept guilt for a crime I did not commit." Thus, he never applied for clemency or parole. It came down to a point where he was the only war criminal in prison. They were holding him in Bavaria in a small castle, and Dick Hagen, as Prisons Officer, would go down from time to time and say, "Captain Christ, won't you please apply for clemency and parole." Christ would reply, "No I didn't do anything. I am being held in a perversion of justice." I have no idea how it turned out, but when the War Crimes Clemency and Parole Board was dissolved, there was still one prisoner: Captain Christ.

Q: Christ was still there. Well, that sounds like an interestinand unusual assignment. What happened after that?

BLAKE: When the Board finished its work in early 1956, I returned to the Refugee Relief Program (RRP). By then, the Department had assigned Don Smith, an officer with extensive commercial but no consular experience, as supervising Consul General and Director of the RRP for Germany and Austria - the program had finished work in Italy by 1956. Don named me his Special Assistant for Consular Affairs and Deputy Coordinator of the RRP.

By then, we had sufficient visa officers in place throughout the consulates in Germany and at the Consulate at Salzburg where RRP visas were issued for applicants in Austria. We didn't establish camps in this case as we had for displaced persons at Schweinfurt; applicants for these visas lived on the economy. We used the consular personnel, but we had them all prepared to issue refugee relief visas in addition to visas under the standing visa laws. That was easy to do because there were basically no applicants. As I remarked earlier, these were Volksdeutsche, people of German background. They could assimilate into Germany, whose economy was growing by leaps and bounds.

Q: It was an economic miracle.

BLAKE: These folks were thinking, "Why should I go off and start a new life in the United States when, here in Germany, I have friends, relatives etc.?" So, applicants would get Refugee Relief immigration visas, which, as I recall, were valid for either three or six months. When their visas expired, they would come back and get them renewed. Then, they would come back and get them renewed again. They would just have this visa in their hip pocket as an insurance policy in the event something politically dire happened or the German economy turned down, in which case they would then go to the United States.

Q: Or the Soviets marched west.

BLAKE: That's right. But, they were perfectly content where they were. This became something of a scandal as people in Washington could not understand why the Volksdeutsche would pass up the opportunity to emigrate from Germany to the United States when the displaced persons had been blithe to go. It came to the attention of Eleanor Lansing Dulles, who was in the Office of German Affairs, in the Department of State. Eleanor announced that she was coming over to look into why the RRP was not getting off the ground. Congressmen were complaining that they had been pressured to pass special visa legislation that no one seemed interested in. There also were certain German groups in the United States wanting to know what was happening. They kept extending job opportunities to Volksdeutsche, but these people were not accepting them.

Harry Grossman, the Refugee Reports Officer in Germany, wrote a very detailed and comprehensive report on all of the circumstances that led to the failure of more Volksdeutsche to take advantage of this opportunity to immigrate to the United States. Harry's report reached Washington in time for Eleanor to read it before leaving for Bonn. Harry Grossman, Harry Schwartz who was Deputy in the political section but also followed this sort of thing, and I met with Eleanor Dulles. Harry Grossman made a very detailed presentation of the situation in Germany with respect to Volksdeutsche. Harry Schwartz made a few noncommittal comments. I listened from the sidelines. Eleanor listened to all of this. Then, she turned to Grossman and said, "I find your report interesting. I forwarded it to my brother (Secretary of State John Foster Dulles), and then I sent it to my other brother (CIA Director Alan Dulles). All three of us have read it, and all three of us reject your findings."I have never seen anyone as deflated as poor Harry Grossman was at that point. Then, Harry Schwartz attempted to placate Eleanor and explained to her really what was going on here in Germany and asked her to be patient. I assured her that we were doing everything we could and we had all the people in place and so on. All we needed were applicants to be serious about applying for Refugee Relief visas. Eleanor went back to the States not happy but with a better understanding.

The Refugee Relief Program limped along until the October 1956 Hungarian uprising. For several days, Budapest was the scene of demonstrations by Hungarians who wanted to re-establish democracy in their country. The Soviets put that down, and tens of thousands of Hungarians fled to Austria. The State Department very quickly determined that these people met the requirements of the RRP. There was one provision of the Refugee Relief Act where applicants were the precursors to what we now call political refugees. We regarded these people as political refugees, issued them RRP visas in Austria, sent them off to the States, and declared the RRP a success.

Q: Thanks to Khrushchev.

BLAKE: Thanks to Hungary. Otherwise the RRP would have been a failure. It was, nevertheless, one of the forerunners, one of the determiners, one of the activities that led to the United States refining our visa legislation to include political refugees as a category.

Q: Which finally came in '65.

BLAKE: Yes, but I think if you look back, the genesis was 1956.

Q: We were operating under the McCarran-Walters Act then and didn't allow many things like that.

BLAKE: That's right. It started people thinking about what we really ought to do for political refugees.

Q: All right. Well now, when that ended, your time there, whahappened?

BLAKE: The RRP ended in the first part of 1957, and I was told they wanted to keep me in Bonn. As it happened, Rozanne was pregnant again, this time with our fourth child, and it was rather late to transfer me. Rebecca Wellington, if you ever knew Becky, wanted me to come into the Political Section to work on Berlin access and other West-East German border problems.

Q: Oh, I worked for her in Berlin. I know Rebecca.

BLAKE: I was interested, but an opportunity came along that I thought was a bit more promising: that was to be Special Assistant to the Minister for Economic Affairs, a man named Henry Tasca. Henry had just come in from Rome where he had been Economics Minister and head of the Economic Assistance Program, and he was given these same jobs in Bonn. He replaced Jack Tuthill, who was very popular; I think that practically anyone who came in after Jack would have had some problems filling his shoes in the eyes of the staff. Henry was an entirely different sort of person, and he was regarded as somewhat abrasive by members of the staff. I found Tasca quite an agreeable person so I went with him. I was his Special Assistant from January or February of '57 until I left in early October 1958. In addition to serving as Special Assistant, I represented the American Embassy on a joint U.S.-British-French working group on two decartelization cases, the Krupp and Thyssen cases, still pending from the occupation.

I should add here that I passed the 1954 written exam. I was told that if I would pay my way back to the United States, I could take the oral exam. That seemed to me a bit of an imposition, because, in those days, we had the so-called Wriston program. At the Embassy in Bonn, we had a Board, which examined people to bring them in as Foreign Service officers from the Department of State or from their staff capacities. I thought, "Well, gee, why can't this Board hear me here so I won't have this expense?" But, the Department took the position that the Wriston boards could not consider people coming in as FSO-6s - they could only consider them from FSO-5 and higher. They said that the probationary 6 category had to be considered a special category. In fact, my staff position would have qualified me to come into the Foreign Service as an FSO-5. But, I wanted to come in through the front door. You recall that FSOs in the 1950s were really quite exorcized over the Wriston program, which permitted Department and Staff officers to obtain a Presidential commission without going through the examination procedures to which Foreign Service officers had been subjected.

Q: Very much so.

BLAKE: If I was going to play on the team, I wanted to come in through the front door. So, I refused an offer to come in as an FSO-5 under the Wriston program. But, I also didn't want to have to pay my way back; I thought that was wrong. I was working out something with Allen Moreland, who was political advisor at Usaeur in Heidelberg. Alan was arranging a flight for me back to Washington on a military aircraft. At the last moment, the Foreign Service Board of Examiners decided to set up an oral examining board in Frankfurt, Germany. It consisted of three people: John Burns, Consul General at Frankfurt and Chairman of the Examining Board; Ted Hadraba, Consul General at Stuttgart; and Fritz Jandry, who was Deputy Chief of Mission in Copenhagen at that time. Funnily enough, Fritz Jandry had been on the Board that I went before to become a career staff officer in 1952, as well as on the FSO Oral Examining Board before which I had appeared in 1953.

Q: So, he is familiar with the Blake style.

BLAKE: It was kind of funny. John Burns and Ted Hadraba knew me because I had been Special Assistant to the supervising Consul General, their boss. Apparently, Fritz did not recognize my name. As I entered the room, Fritz looked up and said, "I believe we have met before. I don't recall quite where." I explained it to him. We sat down and had a rather nice discussion for about 45 minutes. Then, John Burns asked "Who won the Pulitzer prizes this year?" I said, "Gee, I don't know! Have they been announced?" Then, Ted jumped in, "In the year you were out of the Foreign Service, you were working for a newspaper in Leesburg, Virginia, and you don't know who won the Pulitzer Prize?" I replied, "I do apologize. My wife and I got up early yesterday in Bonn and drove down to Kronberg to play golf all day, because I thought that would be a nice way to relax. We played at Kronberg castle, had a leisurely dinner, got to bed early, and here I am before you." John said, "Oh really, you played Kronberg? I joined that club last week. On Sunday, I was out walking around the golf course. What can you tell me about it?" So we talked for about 20 minutes about the golf course. Then John said, "Well, you are finished." I left, came back in the afternoon, and Oscar Holder, his Deputy said, "Well, the board passed you. They interviewed 27 people and only passed nine of the 27."

To my mind, this was a bit of an injustice. This board saw only people who were staff Foreign Service officers. They didn't interview private citizens living in Europe who had passed the written exam and wanted to take the oral. In those days, you had to pass the written exam, and you also had to pass the language exam before you could take the oral exam. These were people with Foreign Service experience and language competency, yet the Board rejected two-thirds of the applicants. I thought it was applying standards that were harsh while others without the same Foreign Service experience or language competency were being Wristonized all around them.

Q: Now, after you finished your job with Tasca, what happened?

BLAKE: I was transferred to the Department in November 1958 to the Office of Foreign Economic Reporting. This office administered something called The Comprehensive Economic Reporting Program or CERP. It also wrote evaluations of economic reporting on all the posts abroad. This goes to a concept, which I think has been lost sight of over the years. Today, we think of the Foreign Service as part of the State Department; but, if you go back and read the Foreign Service Act of 1946, we were Foreign Service officers to the U.S. government not just the State Department. Foreign Service Officers were the overseas arm of all the economic departments, for example, Labor, Commerce, Interior, etc.

I have heard Senator Fulbright speak on the Foreign Service Act. He said that he felt perfectly within the terms of the Act to say that the Foreign Service is as much the arm of the Congress as it is the arm of the Executive Branch. It is not the Foreign Service of the State Department. The Act did, however, interpose the Secretary between the President and the Foreign Service, and also between the President and Ambassadors. If my memory serves me correctly, when this Act was passed in 1946, 35 Foreign Service officers quit in protest. I was told that by Orm Wilson, Jr., whose father was one of the 35.

Now, back to what I did in CERP. I was in charge of economic reporting from Europe and also was the Deputy Chief of the Evaluations Staff. For two years, I evaluated economic reporting out of Europe and noted outstanding reporting officers for special recognition. Of course, I had peripheral duties, such as determining whether the economic reporting tasks were onerous and adjusting reporting schedules, but the basic job was evaluation. I was quite interested in getting into international economic affairs, and I had the opportunity after two years to go into the Office of Regional Affairs in the European Bureau. This was a rather interesting opportunity.

In 1961, a change was being made from the Organization of European Economic Cooperation (OEEC), which was established by the United States as a means of equitably dispensing aid to Europe under the Marshall Plan and helping in the general reinvigoration of the European economies. The OEEC had outlived its usefulness, and, although the U.S. had established it, we were not members. We were observers. The OEEC was replaced by the Organization for Economic Cooperation and Development (OECD), in which the U.S. and Canada became members. I went into the office just after all of the negotiations had been completed. Our job was to get the OECD Treaty through the Senate, and then set up all of the activities to bring the organization into being with the U.S. as a full member.

Q: Did we send an ambassador to the OECD?

BLAKE: After he had left Bonn, Jack Tuthill had been heavily engaged in making this organizational change as the head of RA, the office of regional affairs during the negotiations period. Then, he was detached from that office, and Russell Fessenden came in to replace him. Jack was sent to Paris, and became the first Ambassador to the OECD. Russ was the head of RA. There were two divisions, Economic Affairs and Political Military Affairs. Economic Affairs fell under Manny Abrams, and Political Military Affairs was under Bob Magill. That division handled NATO affairs.

Our division was a bit larger and had three branches: one handled EEC affairs under Dick Vine; the second dealt with OECD affairs under John Renner to whom I was Deputy; and the third dealt with the Council of Europe affairs, sort of a mixed bag of things under Ruth Phillips. John gave me the trade and monetary affairs portfolios in the office, which meant that I worked a good bit with the Export-Import Bank and the Treasury Department. In addition, I was responsible within the office for two rather arcane codes, the code on invisible transactions and the code on capital movements. None of us in the State Department ever really understood these things. In part, that was because we were not as deeply involved as Treasury or some of the other branches; but, also it was due, in part, to the fact that these two codes dealt with matters that were relatively new to foreign policy. For example, it was years before intellectual property was recognized as an important component in international trade. In the early 1960s, people were not as aware of the importance of copyrights and things of that sort in international trade as they are today.

In May of 1961, Allen Fidel, who was in charge of selecting economic officers to go to advanced economic training, telephoned that my name was on the list to go to advanced economic training. I had not applied for economic training and was not keen to go. So, I said that I just got into the OECD job, and it would be something of an embarrassment to me and unfair to the office if I left after about eight or nine months, particularly when the OECD was just being established. He said, "I beg your pardon," and that was the end of it. However, in April 1962, Allen called again and said, "We let you off the hook last year, but this year you have to go to advanced economic training. No ifs, ands, or buts; now, tell us where you want to go." I said, "Give me a little time." I wrote him a memorandum and said I am in the Office of Regional Economic Affairs.

Q: RPE by that time.

BLAKE: It was still RA, but I was in economic affairs within RA. In the memorandum, I wrote that I was very interested in regional affairs and would like to study the theory of integration. I would like to worship at the feet of James Meade, who was at Cambridge, England. I thought that would kill it...that they would say, "We'd like to do that, but we just can't send you to England because it would cost too much money." About three months later, Alan telephoned that I had an interesting idea, but wondered whether it could be amended to send me to the London School of Economics (LSE) instead of Cambridge.

Alan explained that there were three reasons to prefer LSE. First, LSE was regarded as a good economics school. Second, Joe Greenwald followed economic integration affairs at the embassy and could be my contact on what was actually happening in integration. A third factor was that Prime Minister Harold Macmillian had applied for the United Kingdom to enter the European Economic Community, and it was a very contentious issue. It would mean a lot to the United States whether the British application was accepted or rejected. The reasoning was sound, so off we went to London in August 1962.

We were in London through July 1963. The London School of Economics regarded me as a research fellow, and I concentrated on international finance, banking, and trade. As you recall, the British application to join the EEC was rejected in deference to De Gaulle. I came up for reassignment. The Department noted that I had had only European experience and decided to send me to Central America as the Central American Common Market was just getting off the ground. Since there was no position open in Guatemala at ROCAP, the Regional Office for Central America and Panama, I was made head of the economic section in Costa Rica, which was one of the more interesting and dynamic countries in that area.

Q: Let me go back a moment to the London School of Economics if I may ask a question or two. Did you detect any anti-U.S. bias in the London School, which, from my days in London, was considered quite leftist under Harold Laski and others?

BLAKE: The main problem at the London School of Economics involved their questions o"What do we do with this fellow? We are delighted to have him, but we don't know what to call him." Hence, LSE put me down as a research fellow. Since I was well into my 30s at that point, they also permitted me into various discussion groups - in particular, a monthly and rather serious discussion group on economic integration - that were not open to the students.

Q: Which was your interest there.

BLAKE: This was at the time of the Bay of Pigs, and there was great agitation on the part of the student body of the London School of Economics, and the leftists blockaded the Embassy for about two or three months. You had to pass through student lines to get in and so on. I once remarked to Elim O'Shaughnessy, whom I had known in Bonn and was at that time Political Counselor in London, that I used to go to the Embassy every two weeks to throw rocks and pick up my paycheck. There was not so much a feeling against me from the students, as we really had very little contact. I did, of course, have contact with the American students, of which some were actually thinking of entering the Foreign Service.

The students were younger than I and were basically bachelors. In fact, I had a rather set course of study. I was working under two mentors there who would give reading assignments and things of that sort, so there was really very little time for schmoozing. I might also remark that I was married and had five young children, which set me apart from the other students and took my free time.

Q: You were a commuter then.

BLAKE: I was really commuting to a job at the London School oEconomics more than leading a typical student's life.

Q: Were the courses very helpful to you in your later career?

BLAKE: Yes, I suppose so, but not to the extent that I would have thought. Frankly, London may have had a slightly perverse effect on my career by distorting my record and slowing down promotion. In the British university system, you don't take exams at the end of the course. You study, and then, when you are ready to take your masters exams, you take the exam. Generally, that is a two-year course of study. You work under your mentor, who directs you as he thinks you ought to be reading or taking courses or things of that sort. But, there are no exams. There are no class enrollments, no calling of the roll in the beginning of each class or that sort of thing. It ultimately presented me with something of an embarrassment in relations with the Department. The academic year was to end in late July 1963, and, in late May, Barbara Morlet, who handled advanced economics training at the Foreign Service Institute, asked me to have the school send a transcript of my grades. I went to the registrar and said I had been asked for the school to do this. She firmly replied, "We don't have that. We don't do that. You tell your people that that is not the way we do things here in London." I wrote a letter to Barbara saying that is not the way they do it. Then, Barbara sent back a note saying we really have to have something.

Then, she telephoned. She said, "The reason we need this, Mel, is that sending people to college is somewhat controversial. We have to be able to defend ourselves before Congressional appropriations committees and convince them that we are getting our money out of advanced Economic studies. One way to do that is to send the committees what we have on file in case anyone asks what the grades are or something. You, in a sense, are kind of a lightning rod, because you are the first person we have ever sent abroad for advanced economic training." Now, they did send some people for African studies and to military schools abroad but not to study economics. I went back to the registrar and said, "You know, they are terribly upset in Washington. You have to give them something to have in the files." She said, "Tell me the courses you have been monitoring, and I'll see what I can do." I gave her a list of the courses I had been monitoring and also explained the various discussion groups in which I participated. The Registrar then wrote a letter to the Foreign Service Institute giving this information. The Department was not happy with this outcome, and it ended up that another officer, who was well advanced down the pipeline to attend LSE after me, and I were the only officers ever sent abroad for advanced economics training.

Now back to ROCAP. The Regional Office for Central American and Panama was set up to encourage economic integration in Central America. It was a joint AID-State operation. In many respects, it was similar to the Organization for European Economic Cooperation, which had been established to administer Marshall Plan aid to Europe just after the Second World War. Gardner Ainsworth, a State Department officer who had been Minister for Economic Affairs in Rome, was in charge of ROCAP. His Deputy was a senior AID officer. After establishing ROCAP, the Department started thinking about what its role would be, and, since our involvement was primarily on the development side, all the other positions in ROCAP were staffed by AID officers. In the circumstances, I was sent to Costa Rica as head of the economic section.

The Ambassador to Costa Rica was Raymond Telles, who was from El Paso, Texas. He was very active in the John F. Kennedy campaign, and was credited with bringing the Hispanic vote to Kennedy and winning several of the key state races. His Deputy was Phil Raine, really a Brazilian expert and a man who spent his entire career in Latin America.

The job as head of the Economic Section was a conventional job with standout activities in providing assistance to American business. The principal American investment in Costa Rica was being undertaken by Alcoa. Alcoa was trying to develop a major alumina operation, which experienced difficulties because, as we learned over time, the Alcoa negotiator had a drinking problem. He was replaced by management when they realized his unreliability. A small U.S. corporation, which was not in the oil business, was establishing a refinery which had the U.S. Government concerned as it was thought that it would adversely impact the American oil companies in Costa Rica. In fact, I learned that they didn't care. And Dole among others was establishing a Costa Rican operation to supply the U.S. market. Dole sought my view on Costa Rica as a site for a pineapple plantation to reduce costs of their Hawaiian operations. As Costa Rica's central plateau is of volcanic origin and quite rich soil, I thought it a fine idea, adding that the Costa Rican pineapples were the best I had ever eaten. The Dole representatives replied that they would bring pineapple seeds from Hawaii as the Costa Rican pineapples were too large to fit in their cans and so sweet that they would not conform to their manufacturing formula.

The other out-of-the-ordinary activity was on U.S. bond issues and other financial obligations on which the Costa Rican Government had defaulted; one went back to the 1870s. With the AID Mission, I worked on ways to assist the Costa Rican Government in improving its economic performance so that it could resume servicing its debts to the United States.

Economic integration did not go well primarily because of jealousies among the Central American countries. Each one wanted to maximize its benefit under the AID program and stick its finger in the eye of its neighbor. It really didn't work out. In a technical sense, Panama is not a Central American Country, it is a South American country; nevertheless, it was rather important in that area and yet wasn't involved. It was not a member of the Central American common market, for example. The U.S. Government hoped that Panama would be accepted into the common market, but Panama had a higher per capita income and was more dynamic than the other countries, and the Central Americans were very suspicious of allowing Panama in.

Q: And it used dollars as currency.

BLAKE: The Central American governments were concerned that the U.S. Government might favor Panama over the rest of the region in disbursing aid as a means of reducing Panamanian hostility to continued U.S. control of the Panama Canal, and they feared Panama's relative economic strength as Panama had a higher per capita income than any Central American country. Because of jealousies and animosities, Central American integration really never got off the ground. I was in Costa Rica from September 1963 through November 1965. After that, we had this so-called soccer war between El Salvador and Honduras, which was a conflict that developed out of a game that was supposed to promote Central American harmony. In point of fact, it promoted the war, and Central America integration fell into chaos. By that time, I had been transferred back to the Department.

Q: What was the influence of Fidel Castro in Costa Rica?

BLAKE: None. There was, however, a school for political training outside San Jose and Fidel Castro had been a student at that school along with a number of other leftist leaders from throughout Latin America. I suppose it enjoyed a great deal of support from the Pepe Figueres Party in Costa Rica, but Pepe Figueres and the other members of the party were not communist and were not supporters of Castro. I got to know Pepe Figueres rather well. Figueres is Catalan, in fact the first city of any consequence after you enter Spain from France on the Mediterranean side is Figueres. Figueres would talk quite candidly about his conversations with Castro. He used to say that he told Castro that he was going down the wrong road, and should be a Social Democrat rather than a communist.

This school was commonly regarded as a socialist training ground and presumed to enjoy socialist financial support. Shortly after I left Costa Rica, I was amused by published reports, which were confirmed, that the Central Intelligence Agency also supported the school.

Q: Were you in Costa Rica when President Kennedy visited?

BLAKE: I got there just four or five months after Kennedy had visited. It was probably one of the most popular visits Kennedy ever made abroad. The day Kennedy left, Irazu, the volcano east of San Jose, began to erupt. There were tremendous eruptions for some months. The Costa Ricans were fond of saying that the country was crying because Kennedy left. The eruptions had a rather devastating temporary affect on the country's economy, particularly the Mesata Central, a very prosperous coffee-growing region of the country. The volcanic dust devastated the coffee crop for that year. The mountain ceased erupting the day Kennedy was assassinated, although there were occasional puffs of volcanic ash for the next year or so. The Costa Ricans would say that Irazu cried when it saw Kennedy's plane depart but ceased when he went to Heaven. Again that reinforced the affection the Costa Ricans had for our President.

I am a Catholic, but I have never attended so many funeral Masses in my life. At one point, I went, representing the Embassy, to several Masses a day. There were only two practicing Catholic families in the Embassy, Ambassador Telles' family and the Blakes. At first, the Ambassador regarded it as his duty to attend all Masses in President Kennedy's honor, but, after a time, he said, "I just can't go to all these Masses, Mel. You have to help out." So, for about 30 days, we went to a lot of Masses.

Q: Was Costa Rica heavily involved in the Alliance for Progress?

BLAKE: Costa Rica was a great supporter of the Alliance for Progress, and, yes, it was heavily involved. Costa Rica, I discovered, had defaulted on a number of loans before I got there. When I tried talking to the Costa Ricans about it, they would point out what great friends they were of the United States, and how, actually, the Costa Rican parliament had declared war on the axis (Germany, Italy and Japan) in December 1941 before the U.S. did. They rushed in on December 8. The Costa Ricans would say, "You interned the Japanese...we interned not only the Japanese but also the Germans." Actually, there were very few if any Japanese in Costa Rica. The Costa Ricans held the Germans in internment camps until the end of the War. Pepe Figueres was a young man in the early 1940s and began to accumulate a fortune by selling German food specialties to the interned Germans.

Q: Well now, when you were chief of the economic section, did yohave an AID mission there?

BLAKE: We had a rather substantial AID mission. After I had been in Costa Rica for two years, the AID mission director asked me if I wanted to be the Program Officer for the AID mission as well as Chief of the Economic Section. The Ambassador was in favor of it, as was the DCM. The AID people back in Washington turned it down on the grounds that they wanted the program officer job to go to an AID officer as a means of developing skills on the part of their own service. I was there for a three-year tour, but the Department was amenable to cutting it back to a two-year tour. The officer in charge of assignments for mid-career economic officers advised me that I had outgrown the job and should be transferred.

It would have made great sense to achieve at least a partial integration of the AID mission and the Economic Section. The better part of my work was in support of development assistance. The Ambassador, the AID mission director, and I worked closely together on development assistance and worked at the highest levels in the Costa Rican Government. To illustrate, one afternoon, about 4:30, the Ambassador asked me how many times that day we had met with Costa Rican President Orlich. I thought a moment and realized that we had been with the President five times that day. Such frequent meetings would never occur in Europe.

Ambassador Telles had extremely close relations with the Costa Rican leaders. He arrived in Costa Rica in 1961 just after Orlich had been inaugurated. Orlich's party had been in the opposition during the previous administration, and he and his party believed that the U.S. Government had been too close to the predecessor conservative government. Telles told me that he received a rather cool welcome and thought that he had to do something dramatic to break the ice. Shortly after he took charge of the Embassy, he asked Orlich whether he could have a private line installed in his office that would connect directly to the President's office. A sort of hot line that no one else could touch. If the President wanted to speak to the Ambassador confidentially, it would be there. Orlich was dubious but accepted the telephone line, and Telles said that it didn't ring for over a year. Then one day it rang, and the ice was broken.

Q: How big a section did you have?

BLAKE: In addition to myself, I had an economic officer, a commercial officer, an American secretary, and three local employees. I thought it was time to go on. I was rather hopeful of getting another overseas assignment. In fact, the one I was rather keen to get was Chief of the Economic Section in Bolivia. It seemed like a nice challenge.

Q: That is high up enough I guess.

BLAKE: The Department decided to return me to Washington. Anthony Solomon had come in as Assistant Secretary of State for Economic Affairs and had expressed great dissatisfaction with the staff in the Bureau. Tony felt that Wristonization had left the Bureau with a lot of has-beens. A lot of the people coming in to the Economics Bureau did not meet his expectations. So, the Department drew up a list of about 35 or 40 mid-career and senior officers who were coming up for re-assignment in the next six months or so. My name was on that list. We were described as some of the best economic officers of our ranks. Tony was given first shot at us before any other Bureau. In late 1965, I was transferred back to Washington to the Economic Bureau's tropical products division to be in charge of sugar import policy.

Q: There is high politics involved there.

BLAKE: The United States had a schedule of country quotas on imported sugar. The quotas were designed to protect domestic growers of sugar cane and beets and to protect sugar refineries by keeping the domestic price for sugar artificially high, albeit consistent with prices for other agricultural commodities. The quota system was heavily controlled by the Agriculture Department to protect the domestic sugar interests. As it happened, the United States not only needed all of the sugar quota, but we also needed so much sugar for our food and beverage industries at that time that we were going outside the quota system to get sugar. So, the sugar policy officer had absolutely nothing to do. I reported in January 1966 and for several months occupied myself with soluble coffee and some other things that had fallen between the stools, for example, spice.

Q: You had good coffee background coming from Costa Rica.

BLAKE: Yes, but in the Spring of 1966, I was asked to go on coconegotiations. We went off on that about late April or May.

Q: Where were they held?

BLAKE: The negotiations were held under United Nations auspices at the UN building in New York City. U.S. cocoa policy was very tightly controlled by the industry. We had a very restrictive policy. We had five industry observers to the delegation, including one from Hershey, one who represented the cocoa finishers, one representing the commodity import trade, and two who represented something else. Once, I asked an industry observer what amount of the total U.S. cocoa trade they represented. He said, "Eighty-five percent of all the chocolate trade in the United States."

Q: By restrictive, what do you mean, cutting down imports or...?

BLAKE: Perhaps restrictive is the wrong word. We wanted more open trade in cocoa and the elimination of buffer stocks as a support for cocoa producers. The international cocoa agreement, which was the subject of the negotiations, divided the signatory parties into two groups - consuming nations and producing nations.

Q: But we are always in favor of open trade.

BLAKE: The cocoa agreement was intended to balance the interest of consumers and producers by assuring that an adequate level of cocoa would be put on the world market at stable prices. The producer countries didn't like the booms and busts caused by climatic conditions, and a stabilization fund was supposed to provide cocoa reserves that could be put on the market when necessary. Also, the stabilization fund was supposed to buy cocoa when there was a glut.

Q: The fluctuating.

BLAKE: Yes, the producers didn't like price fluctuations, and they wanted stabilization to be achieved by sales through a buffer stock. Well, the United States was against the buffer stock. Our position and our negotiating tactics made it appear that we were in favor of gluts, which would depress cocoa prices, and that we were not concerned about the potential scarcity. No other consuming country (France, Germany, or the United Kingdom, for example) supported the U.S. position.

The cocoa negotiations became so embarrassing that Ambassador Arthur Goldberg, our Permanent Representative to the United Nations, called in the head of the delegation, Deputy Assistant Secretary of State Ed Freed. He told Ed that the delegation was having an adverse effect on our relations with a number of important developing countries. Ed replied, "Yes, but I have got my orders, and here we are."

Q: The order came from the Department or Agriculture or where?

BLAKE: The U.S. position had been approved by an inter-agency committee. The U.S. position was dominated by Department of Commerce and industry interests. Agriculture had little influence on the U.S. position, as that Agency predominantly reflects the interests of domestic U.S. agricultural producers. We had a Commerce officer on the delegation but no Agriculture officer.

Q: I see.

BLAKE: When Ambassador Goldberg didn't get satisfaction from Freed, he had Tony Solomon come up. Tony called us all in and dressed us down and said, "For God's sake at least try to say no with a smile on your face. Be pleasant about saying 'No.'" The result was that the cocoa negotiations ended in a shambles. Governments agreed to meet again in six or eight months, and we all went back to our respective capitals, us feeling somewhat discouraged because we knew the United States had caused the negotiations to fail so miserably that we couldn't even raise matters which were of concern to our industry. I think we all realized we were taking extreme positions, but our instructions provided no leeway.

Q: Were we alone in this? The British, Germans, and Swiss didn'stand...?

BLAKE: Yes, absolutely alone. The Head of the Tropical Products Division, a fellow named Paul Callahan, was fond of saying, "Those dastardly Brits. They let us do the dirty work for them, but they are pleased that we are doing it. The Swiss are pleased we are doing it." I'm not sure it really worked out that way. The experience, nevertheless, showed the power and influence of industry on foreign policy.

We returned to Washington in June. I had been promoted, and there was no suitable position for me in the Economics Bureau. Ree Shannon, the personnel officer in the European Bureau, asked the Economics Bureau to release me, as she needed an economics officer. In August, I went in as Economic Advisor to Wells Stabler, who was the country director for Austria, Italy, and Switzerland in the European Bureau, and worked there for the next 30 months.

Q: What were some of the issues you faced there?

BLAKE: There were a range of trade issues and the sort of things that all the desk officers do. The principal negotiation was to amend the civil aviation agreement between Italy and the United States. Apparently, the negotiations had been going on for many years, and, every year, we'd go off to Italy for about six weeks for these negotiations, which never got anywhere. The reason was that the industry advisers - they came from PanAm and TWA - to the U.S. Government were satisfied with the then-existing agreement and were confident that Italy would not denounce it if it was not amended. To illustrate our intransigence, at one point, we were prepared to give the Italians landing rights at Atlanta, which the industry advisers regarded as a ludicrous international terminus, that is, it was in the 1960s. Then, TWA learned that Al Italia had done a market survey of the U.S. civil air market and had determined that Atlanta had the greatest growth potential of any airport in the United States. When we learned this, we quashed plans to give the Italians landing rights in Atlanta even though PanAm and TWA had no plans to serve that point.

Frank Loy, the Deputy Assistant Secretary of State for transportation and communications, showed greater finesse at saying "no" than had Ed Fried. The Italians used to say that the culprits were the Italian-Americans on the U.S. delegation, primarily from the Civil Aeronautics Board, who, according to the Italians, used our annual trips to Rome to visit their relatives in Italy. Italy attached such importance to the negotiations that it assigned its former Ambassador to Sweden to only one task: to negotiate a civil aviation agreement with the United States. That was a major activity for two years. We did, nevertheless, amend the agreement in 1968. Then, I began work on negotiations to amend the civil air agreement with Austria.In June 1968, Frank Weil, the training officer in the Office of Personnel, advised me that I had been selected for advanced training at the NATO Defense College in Rome, Italy. I said, "Well, geeze, I am not so sure I want that. I had rather hoped for the National Defense University." He said, "Well, the way it has worked out this year, you are going to Rome. If you turn this one down, you will be assigned to advanced training again next year, and you might get what you want or you might get something even less interesting to you than Rome." I replied, "Let me talk to Rozanne. After dinner that evening, I said, "Rozanne, I got this call from Personnel. They want me to go off for advanced training. I'm not sure I want to go. I don't think the school is of sufficient stature. She said, "What is it?" I said, "The NATO Defense College." She said, "Where is it?" I said, "It is in Rome." She reached out and picked up about four or five bills, handed them to me, and said, "You mean we could get out of Washington for Rome, and you are thinking of turning it down? Have you taken leave of your senses?"

Q: Your mind was changed immediately.

BLAKE: I said, "Well, now that you have put it that way." The nexmorning, I called and said, "Sure, I'll go to Rome."

Q: That is what, a six-month course over there?

BLAKE: A six-month course, and we went at the beginning of January 1969. However, there was a rather interesting development in August of 1968. Anyone who could get away, including Wells, was on vacation. The Swiss Ambassador, Felix Schnyder, said he would like to present a note. I received him, and he gave me a note requesting that the United States negotiate a treaty of judicial assistance, a so-called bank secrecy agreement, under which we would be permitted to receive material from Swiss banks and their confidential records, and they would have the same right with U.S. banks.

Q: Very important.

BLAKE: I remember receiving the note and saying we would certainly give it every consideration we could. I think it was on a Friday. Wells was back on Monday, and I presented it to him. We realized it was a very interesting opportunity and sent it up to the Secretary. It was decided that we should find out how serious the Swiss were by sending Nicholas Katzenbach, the Deputy Attorney General, to Switzerland to talk to the Swiss government, the American Embassy officials, and representatives from Swiss banks. Now, at that time, this is the late '60s, somebody had written a book called The Gnomes of Zurich. There was great pressure to open Swiss bank accounts. Henry Morgenthau, District Attorney for the Southern District of New York, was putting a great deal of pressure on the Swiss. They were also getting bad press, which they considered harmful to their trade and tourist relations with the United States. The Deputy Attorney General came back and said, "These folks are serious. They do want to negotiate a treaty." So, I prepared a note, which was sent to the Swiss Embassy, agreeing to undertake the negotiations.

For the record, I should note that the Swiss Government had made a similar proposal to the U.S. Government in the late 1930s, but President Franklin Roosevelt was so preoccupied with the impending war in Europe that the U.S. Government never took up the Swiss offer.

I went off to the NATO Defense College, just outside Rome, Italy, in January 1969. The NATO Defense College has the so-called North American tour. I came back to the Department on that tour, I think it was late March, saw Wells, and said, "When you speak to personnel, I still don't have an assignment." He said, "Oh, yes, you really do have one. You just probably haven't heard that you are being assigned as Economic Counselor at Bern." I remonstrated, "Geeze, I am at the NATO Defense College, and you are sending me to a neutral country." He said, "I absolutely insist on it. I want you there. Over the years, you have developed a number of friends in Treasury. They also want you there. What we'd like for you to do is be the combined Economic Counselor and Treasury Representative. It would be two-hatted."

Q: That is very unusual. Treasury doesn't very often put that on State Department officer.

BLAKE: That's right. I decided, reluctantly, to go - reluctant for several reasons. First, with five children, two or probably three of them would have to go to boarding school. Second, I knew that Switzerland was very high cost, and, third, I thought I might rather have something a bit more varied. I guess, too, having been on the Swiss desk already, I was looking for change. On the other hand, how can one quarrel with an assignment to Switzerland?

Q: People don't fight assignments to Switzerland.

BLAKE: And, off we went, for four very pleasant years. I worked with Shelby Cullom Davis, a political appointee who was a Wall Street investment banker. I had some trepidation when I read in Who's Who that both Ambassador Davis and his wife were Ph.D.s from a Geneva university. I thought, "He is going to know an awful lot about Switzerland. It is going to be tough." In fact, he was one of the finest people I have ever worked with, and one of the best ambassadors I have ever known.

Q: Well, how big was your section there?

BLAKE: Before I came, the Treasury Officer was in Zurich.

Q: No Commercial Officer?

BLAKE: The Commercial Office was separate. Its staff consisted of the commercial officer, a deputy commercial officer, and two or perhaps three local employees. I found that odd. I didn't see how you could separate commercial work from the overall economic area. I was really unaccustomed to that, but this had been the historical staffing arrangement at Bern.

I have already mentioned that the Swiss Ambassador had left a note in August 1968, on the negotiation of a judicial assistance treaty. Then, it took several months to set things up. As it happened, by the time I got to Switzerland in August 1969, they were ready to begin the negotiations on the treaty. That was the most important embassy activity for the next four years. So much so, I became so very heavily engaged with the banks that Dick Vine, the Deputy Chief of Mission, later told me that he felt it would be best not to combine the Economic and Commercial Sections but to leave them separated.

Q: Did you get into any question of selling U.S. defense equipmento the Swiss?

BLAKE: That was probably the major activity of the Defense Attachï¿½ Station. At that time, we were interested in selling an aircraft to them, so the Air Attachï¿½ was very important. Under the U.S. military system, the Principal Defense Attachï¿½ is designated back in Washington. For reasons of inter-service negotiations as much as anything, Switzerland was regarded as an army post, so the Defense Attachï¿½ was army. But, the only military activity in the country was on the Air Force side.

Q: Was the assistant attachï¿½ an Air Force Officer?

BLAKE: He was an Air Force Colonel.

Q: So that worked out then.

BLAKE: Yes, the Economic Section got involved peripherally in these negotiations, because I had close relations with the head of the Swiss Air Office.

Q: Any problems with the fact that the Swiss were our protectinpower in Cuba? Did that cause you any difficulty?

BLAKE: No, not at all. That was the only work of any consequence that the political officer did. The Political Section consisted of one officer. He didn't even have a secretary. Domestic political affairs in Switzerland were really not very important in U.S.-Swiss relations, but protecting our interests in Cuba was quite important.

Q: What did your duties as treasury representative consist of?

BLAKE: The dollar was deteriorating at that time, and we had the fixed exchange rate system, so there was a great deal of activity with the banks. I would be away from Bern a week to 10 days out of each month, either in Geneva or Zurich, but principally in Zurich. I would go to Zurich at least a week a month, then Basel or Geneva three days a month. I had very close ties with the central bank, Swiss National Bank, but also with the three Grosse Banken and with the more important private banks.

Q: Well, those sound like happy years in Switzerland.

BLAKE: Oh, they were very happy years. Perhaps, the most interesting thing there was the negotiations on the judicial assistance treaty. The backstopping team in Washington consisted of the State Department as the lead Agency, Treasury, the Criminal Division of the Department of Justice, and the Securities and Exchange Commission. From Treasury, came two sides, one was the General Counsel's office and the other side was the Office of Alcohol, Tobacco and Firearms (ATF). The Assistant Secretary for ATF also was responsible for the Secret Service.

Q: Was that finally concluded during your tour in Bern?

BLAKE: The negotiations went along in a rather desultory fashion for a couple of years. The main problem was to define a crime to which the treaty would apply. Then, the United States proposed that the annex of crimes covered by the Swiss Criminal Code be attached to the treaty and used to define crimes covered by the treaty. Then we had a viable negotiation. There were certain other minor technical aspects, and they could have gone on for years, but we were over the major hurdle. There were still some minor definitional problems, and, to a certain extent, negotiations on the judicial assistance treaty became intertwined with negotiations on the avoidance of double taxation. In time, however, these issues could be separated.

About March of 1972, the Ambassador went back to Washington. He went on his rounds of consultation, and among the people he saw was his old friend John Mitchell who was Attorney General. Upon the Ambassador's return to Bern, he called me in and said, "Mel, I saw John." I knew whom he meant. "He tells me that my highest priority here is to complete the negotiations on a judicial assistance treaty. It is very important for the re-election of President Nixon." At that time, it seemed clear McGovern was going to be the Democratic candidate. It was equally clear who was going to win. I thought, "My God, this Republican administration takes nothing for granted."

Q: I couldn't quite figure that one out when you mentioned it.

BLAKE: In any event, the Ambassador said, "I want you to draw up a plan to obtain Swiss agreement to the treaty so that the President can cite it as an accomplishment." I went back to my office, thought about it, and began writing a memorandum.

Now, Switzerland is a country that runs on the basis of consensus. No Swiss government will agree to anything unless all the parties are on board. The Government doesn't like fighting with any segment of the economy. Once, Swiss President Celio introduced a rather inconsequential bill in Parliament. It was rejected by the Parliament, and he resigned on the ground that he had failed to consult adequately with all interested parties. The Parliament was very upset about it. They all rushed around and reached a compromise, and then the President withdrew his letter of resignation, and they enacted the bill. It just shows how strong this need of getting everybody on board is for the Swiss. This had happened just before I had to write my memorandum.

In the memorandum, I noted that Switzerland runs on consensus, and the way to assure that the treaty would pass the Swiss Parliament was to make sure that all of the banks were on board. I attached a list of all of the members of the boards of directors of the five most important banks in the country, many of whom were industrialists or prominent in various professions, plus the principal owners of the more important private banks. I recommended that the Ambassador explain what was involved in the treaty to all of these people. If we got their assent, or at least willingness not to oppose the treaty, I reasoned that the Swiss Government would approve it.

Q: That we, the Americans, explain rather than their own government?

BLAKE: That's right. The Ambassador read the memo and said, "I am tempted to do this but what about the Swiss government? Shouldn't they do this?" I replied that I would confirm that we could do it by talking to my counterpart on the Swiss side, a fellow named Pierre Nussbaumer in the Foreign Office. I went to Pierre and said, "How can we move the treaty?" He said, "Mel, we are at our wits end. The banks are just dragging their feet. People don't like change." I said, "What would you say if we talked to the bankers? After all, you know the Ambassador, and you know how well known he is in the community." He said, "Oh, yes. Indeed, we would be delighted if you would do this." So I told the Ambassador of my conversation with Pierre.

The Ambassador then got in touch with an old friend Robert Lutz, who was the head of Credit Suisse. (Lutz had been head of Credit Suisse in New York. His son, Robert Lutz, Jr., was head of the International Division of Ford Motor Company and later became Ford's President.) The Ambassador and I met with Lutz. The Ambassador said, "Bob, the negotiations on bank secrecy have gone on for three years. Actually, they began with a note your Ambassador left with the State Department in 1968. Do you think your friends and colleagues would object if I meet with them and explain what this agreement is all about and what we are trying to accomplish under safeguards?" Bob replied, "Some people would probably take offense, but they don't count. What you are doing is the sort of thing an ambassador ought to be doing, and that is informing us and giving us your government's views. Do go ahead."

When we got back to the Embassy, the Ambassador said, " I want you to set up lunch or dinner with everyone on this list. For reasons of economy, let's make about five or six to a group." Over the next several months, we had lunch or dinner with every single member of the boards of directors of these major banks plus the leading personalities in the more important private banks. The procedure was to have a pleasant meal. Then, when coffee was served, the Ambassador would make some introductory comments and then ask me to explain the treaty's main provisions. After 20 minutes or so, he would close with a question-and-answer period. The questions were very substantive, although there were several guests who seemed irritated. They felt they were being taken advantage of. But, the result at the end of all of this was evident when Bob Lutz got back in touch with the Ambassador and said, "I can assure you that Swiss banks will pose no objection to the judicial assistance treaty, and they have asked me to notify the Swiss Government.

Although we signed the treaty after the November 1972 U.S. elections, the Ambassador was able to tell John Mitchell that the Swiss were on board, and the Administration could rest assured that the Treaty would be signed in 1973.We set the final round of negotiations in the Spring of 1973 in Bern. Perhaps to show their banks and their Parliament that they were making every effort to protect Swiss interests, the Swiss Government designated Ambassador Albert Weitnauer, one of their most senior and influential negotiators, to head the Swiss delegation. Our side was headed by a senior mid-level officer of serious mien, and we met for two days of negotiating comedy. Rather ponderously, our delegation head began to review the treaty, article by article and paragraph by paragraph. To Weitnauer, it was a done deal. He wanted enough show to demonstrate that he had been a purposeful negotiator who had stood up for Swiss interests, but he did not want the risk that such a detailed examination might flush some difficulty that had escaped everyone's notice. Keeping the negotiations smoothly on track was his objective.

Toward the end of the first day, Weitnauer leaned across the table and gently suggested that he be asked a certain question. Then, he answered it and wrote the exchange on his note pad. Then, Weitnauer asked another question, etc. Occasionally, he would break the monotony by asking a question and guiding the answer. Toward the end of the second day, Ambassador Weitnauer closed his note pad and announced that the negotiations had come to a successful conclusion. We shook hands all around and basked in the pleasure of a job well done.

To indicate the importance the United States attached to the agreement, Assistant Secretary of State Walter Stoessel came to Bern in June of 1973 to sign it.

This was the first bank secrecy treaty the United States ever entered into and the first ever signed by a country based on an Anglo-Saxon legal system with a country that had a judicial system based on continental law. It established a precedent for the United States. Nevertheless, in August 1975, as I was preparing to leave Washington on assignment to Frankfurt, Germany, I was asked to meet with representatives of the State and Justice Departments. The Swiss Parliament had approved the Treaty in 1974, and the Swiss government was awaiting action by the Senate so that deposit of the instruments of ratification could be arranged. At the meeting, I was told that the U.S. government had decided that the Treaty was not as far reaching as we would like, and I was asked whether it would be feasible to ask the Swiss Government to renegotiate the Treaty with the object of increasing the number of criminal offenses to be covered by it. In other words, to expand on the annex which was based on the Swiss Criminal Code.

By that time, Ambassador Davis had left Switzerland. I doubted that the Ambassador who followed him would have the same influence with the Swiss government and the Swiss banks. It was certain that Switzerland would be offended if we rejected a treaty that had been given such careful consideration. Hence, I said that we had been fortunate to reach agreement on the U.S.-Swiss Treaty in 1973 and should send it to the Senate as soon as possible, reserving our concerns for expanded coverage for future negotiations with Switzerland and other countries. This suggestion was accepted, and it is my recollection that the Treaty was sent to the Senate and ratified in 1976.

As I have said, the Ambassador was a gracious and focused host. He used working luncheons in his extensive travels around the country. Invitations to dinners at the residence with Mrs. Davis were prized. It was diplomatic entertaining that you no longer see, and it was widely and favorably commented upon in the local community. Once, however, this reputation could have produced perverse results.

You may recall the Investors Overseas Service (IOS), which was founded in the late 1950s or early '60s by Bernie Kornfeld. IOS was a sort of investment fund with incorporation or administrative dodges that took advantage of tax and other loopholes throughout Europe. The IOS charter was Canadian; its headquarters were in Geneva. Many of the tax dodges were based on Luxembourg law. Customers were primarily American servicemen or businessmen living abroad. It grew phenomenally with assets in the billions; it was so large that there was concern that, if the IOS bubble burst, it could hurt Wall Street.

The U.S. Government took a cautious approach toward IOS. Although IOS was not an American corporation, its portfolio consisted mainly of American securities, and it presented itself as an American fund. Kornfeld had hired James Roosevelt, the son of President Franklin D. Roosevelt, in 1970 to shore up the company's faltering image. I had met Roosevelt during the ill-fated cocoa negotiations when he was a Deputy to Arthur Goldberg at the U.S. Mission to the United Nations, and I renewed contact when he reported in to IOS at Geneva. Shortly thereafter, IOS got into serious trouble, and was taken over by Robert Vesco, a New Jersey welder who somehow got into investments and was rather successful. Vesco came to Geneva and said that he was going to turn IOS around. It was a high-wire act with a great deal of publicity, and the financial community closely followed every announcement.

One morning, Roosevelt telephoned me at Bern to say that Vesco urgently wanted to meet with the Ambassador regarding IOS. I told the Ambassador that we had no legal responsibility toward IOS but there was a real need to know what Vesco might be up to in light of the effect that developments at IOS could have on the stock market. It was a Hobson's choice, but I thought that the lesser of two evils would be to hear Vesco out. The Ambassador agreed, and Roosevelt said they would arrive about noon.

Vesco and Roosevelt were accompanied by two fellows who, to put it mildly, would not have made it at the Wharton School of Finance. Vesco was of medium stature, stocky, and struck me as a strong-arm man rather than a con artist. He got to his point immediately. He said that Kornfeld had (expletive deleted) up at IOS, but he was going to straighten it out. His problem was that the press was giving him a hard time, and the Swiss were beginning to look over his shoulder a bit too closely. He needed the opportunity to explain his plan for IOS to top Swiss government officials and bankers, as well as the press in the most favorable setting. He knew that the Ambassador knew everyone of consequence in Switzerland and was held in high esteem. Hence, Vesco proposed that the Ambassador rent one of the larger restaurants (the Kornhaus Keller) for an evening and invite the top layers of the Swiss Government and banks. After dinner, the Ambassador should introduce Vesco, and he would take it from there. Seeing the startled look on the Ambassador's face at such audacity, Vesco said, "Don't worry about cost. I'll pay for everything."

At this, the Ambassador turned to me and asked, "What do you think?" I replied that the U.S. Government recognized the difficult situation IOS was in, the importance to Wall Street and the world financial community of helping IOS out of its difficulties, which I was sure could be overcome. But, I continued, "Unfortunately, there was no legal or diplomatic basis for U.S. help to IOS, as it was a Canadian corporation." I added that the Canadian Ambassador was a friend of the American Embassy and expressed confidence that Ambassador Davis would not object to introducing Vesco to him. The Ambassador added that he would be delighted to do so. Vesco glared at me, stood up, uttered a curt good-bye, and stalked out. We never heard from him or Roosevelt again.

I find the Swiss a very attractive people to do business with. Now and then, I might have found them a bit officious had I not approached them through many years of negotiations with the Italians on our civil air agreement, and had I not lived in Rome in a period when one day all the gasoline stations would be on strike; the next day all the metro and public transportation people would be on strike. At no time, were the garbage collectors in Rome ever off strike. It was really quite comforting and pleasant to be assigned in Switzerland, but the things that made it pleasant were the Swiss people themselves, their integrity, and their businesslike approach.

I want to recount three instances that illustrate the Swiss integrity, thoroughness and courtesy. When I joined the staff of the Office of Austrian, Italian, and Swiss Affairs in August 1966, the first matter I had to deal with was a demarche by Klaus Jacobi, the Swiss Embassy's Economic Counselor. (Klaus was later Swiss Ambassador to Washington.) He advised that the Swiss Government was changing its domestic subsidy program for hog producers. As a result Swiss lard would become cheaper and lard imports would be disadvantaged. As the United States had sold 12 tons of lard to Switzerland in the last year for which they had data, the Swiss felt obliged to inform us and to ask whether the United States had a problem. Klaus added that the first trade agreement signed by the United States under the Trade Agreements Act of 1934 was with Switzerland. I contacted the Department of Commerce since lard is a processed agricultural product. Both the country specialist and the "lard" specialist were bemused that the Swiss would trouble themselves with 12 tons of lard. They couldn't even find data that we had sold lard to Switzerland and, in the end, I was authorized to tell the Swiss that the United States had no objection to their proposed subsidy program.

Paul Jolles, the Head of the Swiss Trade Office, was probably the leading official in the country. I saw him from time to time. Once, I had a 9:30 appointment with him. I was about to leave the Embassy for his office, when the phone rang and his secretary said that the Ambassador would not be able to see me until 9:35. When I got to his office, the Ambassador said, "I thought that you would rather spend that five minutes in your office than in my anteroom." I love that punctuality.

With the Swiss you can get right to the point. I would like to illustrate that by my experiences on the negotiation of amendments to the U.S.-Swiss air transport agreement. The U.S. team came over from Washington to negotiate changes in our air transport agreement. It was a very pleasant July. Two of the members of the team had arranged that their wives would join them for the last two weeks of the projected four-week negotiation. We met with Werner Guldimann, the head of the Swissair office, which was a combination of FAA, CAB, and any operation in State that had to deal with civil aviation. We had a team from the CAB, the State Department desk, the State Department Office of Aviation, and an industry adviser.On the first afternoon of negotiations, Werner Guldimann made his presentation for the Swiss; he was their entire team. Then the head of the American team made his presentation. All those in the American side chimed in with several questions. After two hours had elapsed, the American said that, having just flown over, they were feeling a bit jet-lagged, and they asked to recess for the day. Werner said that would be fine.

As the team was leaving, Werner asked me to stay behind, which I did. He said, "Mel, this is terrible." I said, "What is terrible?" He said, "The pace. We will be forever negotiating this. I just don't have this much time. I can't tie myself up like this. What can we do to move the negotiations along?" I said, "I will talk to my people and see what we can do." He said, "No, tell me what do you really want out of this agreement." I said, "Well, what we would really like is..." and I spelled it out for him. He said, "I can live with that. Now, I will tell you what I want." He told me, and it was essentially less than we were prepared to give them. I said, "We can live with that." He said, "Fine, we have a deal."

The U.S. delegation was waiting for me in the street, and the delegation Head said, "What happened, Mel? Was he mad?" I replied that I would explain at the Embassy. At the Embassy, I said he just wanted to know what we wanted. "That's it? You didn't tell him, did you?" I said, "Well yes, I did. And, he said he accepts it. Then, he told me what they want." As I explained it, they recognized it was less than they were prepared to offer and we were getting a good deal. I have never seen such disappointed people. They returned to Washington two days later. We had a deal that worked out very well.

Q: That was a nice vignette. Well, what happened after you lefBern? You came back to Washington?

BLAKE: Yes. As I was preparing to leave Bern, the Department contacted me on an assignment to the Embassy at Vienna as Economic Counselor. With the exception of two years in Costa Rica, all of my assignments had been in Europe or on European matters, including two training tours in Europe. It seemed to me that was terribly parochial. Apart from that, the inspectors had been through Bern and had said that it would hurt my career to have another European assignment. So, I turned down Austria and came back, unassigned, to the Department.

When I got back, I was interviewed by John Hurd, Ambassador to South Africa, who wanted me as Economic Counselor, but asked that I wait until an assignment was found for the current Counselor. The European Bureau asked me to take six months training in Finnish and then go to Helsinki as Economic Counselor. That was in August, and I had three children in junior high and high school. Helsinki struck me as less promising than Pretoria. In either event, I would have had to uproot three children in the middle of the school year.

While I was weighing these alternatives, the Office of International Affairs in the Treasury Department contacted the State Department. They wanted someone who knew international banking and believed they had no one with that sort of background. The activities of foreign banks in the United States were becoming a political issue and certainly were an economic factor. Treasury wondered if they could borrow me from the State Department to handle international banking and other international financial affairs. That would be for a one-year tour. I took that assignment. As it turned out, I enjoyed the Treasury Department immensely and stayed for two years.

My principal responsibilities concerned international banking and foreign bank activity in the United States. The U.S. Government was developing legislation, for the first time, to control foreign banks. This required changes in domestic banking law and practice, as well. It was completely new territory for banking regulation, and Deputy Secretary Steve Gardiner and Under Secretary Paul Volcker were heavily involved. Apart from the Federal Government, State banking regulators were also involved. Under the Glass- Steagal Act, interstate banking was denied to American banks, but foreign banks could establish branches in more than one state and, in effect, engage in interstate banking. Robert Albright, the Superintendent for Banking in New York State came up with the novel concept that contiguous states might enter reciprocal agreements on interstate banking. Volcker favored this approach, but Gardner, who had come from a Philadelphia regional bank, was more reserved. At the private level, the American Banking Association, which has a number of regional and smaller banks as members, was opposed to interstate banking and wanted a rollback on foreign bank activity here. The association of the major international banks - I forget its name - favored giving foreign banks the same opportunities that their governments gave U.S. banks in the sending country, in other words, international reciprocity.

A related issue was foreign investment in the United States. This was the time when crude oil prices had risen dramatically; gasoline prices were high, and we had gas rationing; and the dollar was weak. There was considerable resentment against foreigners, primarily Japanese and people from the Middle East, who were buying up U.S. assets. Middle Eastern interests were in the process of buying Kiwah Island, off the coast of South Carolina. This purchase evoked a great deal of xenophobic publicity, for example, that we were at risk of having a foreign flag flying over American soil. The fellow who was sweating it out was the American owner of Kiwah Island. As I recall, he had bought it for $100,000 and was selling for $30 million. One day, there were five different Congressional committees holding hearings on the threat presumably posed by foreign investment in the United States.

Q: How were you received at Treasury?

BLAKE: Extremely well. I was in the Office of International Affairs, which has a highly competent, highly trained staff. It is the sort of place where all of the economists had advanced degrees and were very competent, very discreet in performing their duties.This office has an interesting background. It was formed to manage the moneys we acquired by going on the gold standard in 1933. We valued gold at $35 per fine ounce, which created a cache of money for the Treasury Department. They needed people to administer that money and set up the Office of International Affairs. By the end of the Second World War, it was becoming a rather interesting responsibility, but it required more day-to-day operations than Treasury liked. Treasury representatives at American embassies report back to this Office. Treasury wanted to be able to concentrate on broad policy issues. In the late 1940s, the Secretary of Treasury got in touch with the Secretary of State, as I was told by Henry Tasca. By the way, Henry Tasca had been a Treasury representative before he came in to the Foreign Service. Treasury got in touch with the State Department and said they would like to pass the Office of International Affairs and responsibility for these monetary assets to State. State thought about it for a time, and then the Secretary of State sent a message back that economic affairs had no place in diplomacy, and he rejected the offer.

Q: Real forward-thinking.

BLAKE: By rejecting that, he rejected the opportunity to get a very competent staff and a toehold in what is now one of the leading areas of international economic activity.

Q: I might just comment that I dealt with a number of Treasury attaches in my service overseas, and I found all of them, without exception, to be first class people, absolutely very good in their jobs.

BLAKE: Very good. There was something I felt when I reverted to State or even while I was at Treasury. Foreign Service officers have always felt that the Treasury attachï¿½s were holding something back from them, that they weren't really part of the team at an embassy. But, having been a Treasury representative abroad, and having worked in treasury backstopping Treasury representatives and that sort of thing, I can assure you there was nothing of that sort. The Treasury people simply did their work so competently, so unobtrusively, that there is a tendency to think they are holding something back.

Q: Did you have contacts with the Department frequently, or did yowork mainly up through the Treasury chain?

BLAKE: Principally, I worked with the Treasury Department but, to a certain extent, at State with the Office of Monetary Affairs in the Bureau of Economic Affairs and, to an extent, with RPE, regional Economic Policy in the European Bureau, and, as occasion required, with economic officers elsewhere. Also, I worked with the Federal Reserve Board and the Office of the Comptroller of the Treasury, because I was dealing with international banks in the United States.

Q: Who was the Secretary of the Treasury when you were there, GeorgSchultz?

BLAKE: George Schultz was there, and then he left, and was followeby William Simon.

Q: Yes, that is when Kissinger and Schultz had their famous arm wrestling match about Hal Sonnenfeldt, I think. They wanted to put Sonnenfeldt in Treasury, and Kissinger said, "No I want him back with me." He finally won out.

BLAKE: Well, I don't know about that. I was, however, on the fringes of a turf battle between Kissinger and Simon. Bill Simon was a bond trader in New York, a very aggressive man and quite abrasive. When he came to Washington, he and Kissinger took an immediate dislike to each other, as the stories go. This was in late 1973 or early 1974, at the time there was the gasoline shortage. There was great concern at that time about foreign investment, particularly investment by the oil producing countries in the United States. Kiwah Island off the coast of South Carolina was quite an issue. Isolationists in Congress said that Arab countries would buy a piece of the United States and fly foreign flags over it. Treasury was not troubled by freedom of foreign investment flows and thought the concern over threats to our sovereignty overblown. Once Secretary Simon was in New York City, and reporters asked him about the rumors that the Shah of Iran was about to buy some extensive properties in New York City. New York City was in bankruptcy at the time, and Simon was resisting pressure for a Federal bailout of the city. Simon said, "He can buy the whole damn thing. New York and the Shah deserve each other.

Q: Not good politics on Simon's part.

BLAKE: At this point, Simon decided to make his first foreign visit as Secretary and, I believe, practically his first foreign trip ever. He decided that he would accept a speaking invitation in Hamburg, Germany, and then go through Germany down to Monaco, picking up speaking and other engagements along the way, and he was going to wind up in Saudi Arabia. I was asked to write a paper on how the Saudis could invest two billion dollars in the United States. He was going to present it to them. One of the big concerns at that time was how to recycle all of the moneys that were being paid for oil. People at the political level got exercised over this point. The Treasury was fond of saying, "The oil producers are not going to pump dollars back into the ground. They have to invest it someplace, so what's the big deal? It is probably a great opportunity for the United States." Simon was going to demonstrate that by taking over a two billion dollar portfolio proposal to the Saudis. I wrote the paper and had it split between half in the market, that is the private market, the private sector, and half in various government securities. In the covering note to the Secretary, I stressed that the United States and Arabs had had a rather prickly relationship for a number of years because of our support of Israel. One had to be very careful and discreet. This was the first time that a Secretary of Treasury had visited Saudi Arabia, and discretion was highly important.Simon left on his trip in the early Summer of 1974. I was chagrined to see a report of a speech that Simon gave in Hamburg, Germany, in which he talked about the need for the Saudis to invest in the United States. Then, he kept lifting the veils as he went through Paris. In Monaco, he said, "I have an investment plan for the Saudis when I get there." When he got there, I think, in his initial public statement he mentioned two billion. I forget exactly what he did, but in any event, the Saudis received him. They were very pleasant and said, "Thank you. We'll think about it." He came back somewhat irritated that the Saudis had not taken up his two billion dollar offer. "How did we screw up," he fumed. In point of fact, the Saudis had, and we all knew it, their own investment team. They were very competent people in Europe and the United States who were making suggestions to the Saudi Government on a continuing basis as to how to invest.

Q: Were you the only FSO at Treasury at that time or did we havothers?

BLAKE: I think there may have been three. The only one I knew of,and I knew him quite well, was John Bushnell. Do you know John?

Q: Yes, a Latin American hand.

BLAKE: Yes. Well, John was there when I was. I think there waanother fellow whom I really didn't know.

Q: Well, when your tour there was up, it was back to Germany?

BLAKE: That's right. They asked me to stay on a second year, and then they asked me to leave the Foreign Service and become Treasury attachï¿½ in London for as long as I wanted. I felt one government career was enough, so I came back to State. There were a number of assignments that were near misses, but my choices boiled down to either of the following two. One was to be Deputy Principal Officer in Frankfurt because of the high concentration of German banking interests there, and the other was to be Economic Counselor and Treasury Attachï¿½ in Saudi Arabia. Had I not been married, I would have, without any question, without any hesitation, gone to Saudi Arabia. This gets back to something again while I was in Treasury. Simon, as I remarked, had gone to Saudi Arabia. He did manage to establish a relationship with the Saudi Government and agreed with the Saudis to set up about 20 or 30 different advisory committees in various activities, including, for example, the following: a banking committee to assist in the development of domestic Saudi banking, an infrastructure committee on roads and things of that sort, and so on. There would be American personnel there working with the Saudis. These were not AID people, because we didn't have AID activity in Saudi Arabia. Henry Kissinger was very upset when he learned that Treasury would be running committees throughout Saudi Arabia, so he got in touch with Simon and said, "There is nothing I can do without embarrassment to roll this back, but I insist that you stay out of Iran. Iran is mine, and State will make policy toward Iran."

The job as Economic Counselor in Saudi Arabia would have been the conventional economic counselor job. The responsibilities as Treasury Representative would have been the customary ones along with the additional task of running all of these committees. That would have been a very exciting job. I turned it down ultimately because of the very restrictive attitude that the Saudis have toward women. They can't drive, for example, and so on. I thought that would be asking more of Rozanne than I'd ask of myself. Apart from being very difficult for her, I would have had to leave two children behind in boarding school. I wasn't sure I wanted to do that either. So, I went to Frankfurt as Deputy Principal Officer in the Consulate General where I had begun my career. The Department was pleased to give me this assignment because the German Central Bank (the Bundes Bank) and other major banks are in Frankfurt. The Treasury Representative resided in Bonn; State's pleasure at having me there reflected the attitude toward Treasury representatives, to which I have already alluded.

Q: Who was the Principal Officer then?

BLAKE: When I was asked to go, it was Tom Recknagel. Then, Tom's wife, Charlotte, developed a health problem, and, at the last minute, they didn't go. So, Wolf Lehmann was substituted.

Q: I knew them both. How did you and Wolf divide up the duties - because it is a big post, I know - between the Consul General and the Deputy?

BLAKE: My recollection is that Frankfurt was the eighth largest post in the world at the time. We had 17 U.S. Government agencies assigned to the Consulate General, although some of them only had a loose relationship to the Consulate.

Q: And, there still was a huge American military presence in Germany.

BLAKE: A huge American military presence, and the bilateral trade between the consular district and the United States ran five billion dollars a year. That was very important. Wolf and I divided our duties up rather comfortably. Wolf, of course, was Consul General and retained to himself the various representational activities that a consul general would carry out. Wolf retained all of the political-military and the contacts with the political leaders. He gave to me all of the economic and commercial activity as well as all of the consular work. He found that the representational work got to be rather onerous, so we developed the practice of sharing representational activities. He had a great number of Congressional and business delegations. Of course, Wolf would always see the Congressmen and give a reception.

When appropriate, he would involve me, and he asked me to take the lead with commercial delegations, primarily investment promotion groups. As there was a large American business community in Frankfurt, I developed the practice of meeting monthly with representatives of that sector. Then, there was a bicentennial visit headed by Vice President Nelson Rockefeller with a rather distinguished group. Toward the end of my stay, President Jimmy Carter came once. There was always enough of that sort of activity that Wolf could keep quite busy. We really worked independently from one another in tandem, but of course we kept each other informed.

From 1977 on, the matter of American citizens in German prisons became important. Mistreatment of U.S. citizens in prison abroad, primarily in Mexico, had become a U.S. political issue which became of concern to Congress. Most of the prisoners were young adults who ad been caught smuggling or selling drugs. In the Frankfurt consular district, some 90-100 U.S. citizens were in prison at any one time. The Department required that each prisoner be visited once a month, a requirement which put considerable strain on our consular staff as we received no increase in personnel. So that I might understand this new responsibility, I made a number of prison visits. It turned out that most of the prisoners were former servicemen who had had served in Germany and liked the life there. Out of the service and without work permits, a number of them turned to drug trafficking. Life was reasonably comfortable in German prisons; for example, they were permitted monthly conjugal visits, could earn vacation from prison for good behavior, and had good English language libraries.

The head of Morgan Guaranty Bank in Germany mentioned to me the difficulty in spending his funds for local good works in a manner that would not seem puny when compared with the funds similarly available to the large German banks. This gave me an idea. I arranged for the University of Maryland branch in Germany to teach basic courses - English language and literature and American history, as I recall - in the larger German prisons in the Frankfurt consular district. The University's only requirement was that at least five prisoners sign up for each course. Morgan donated funds to this program, as did several other American businesses.

Q: Relations with the Army were good?

BLAKE: Excellent. The fact that Wolf was a politico-military officer and had been our last DCM in Vietnam was important to the military.

Q: What about relations with U.S. intelligence groups? I know walways had a number of them around the Frankfurt area?

BLAKE: We did. I felt that a lot of that intelligence activity was spinning wheels, but that is neither here nor there. I was amused once, though, when a CIA officer told me that, in their list of things to do, they were to report on German banking and gold movements. He said that he had that tasking removed from his list of things to do because there was no way that the Agency could top the reporting from the Consulate General.

Q: That is a nice commendation for you in some ways, isn't it?

BLAKE: Well, I was surprised they would do that, because turgenerally is an important issue with the intelligence community.

Q: How about your relations with the Frankfurt city authorities?

BLAKE: Rudi Prebisch was the mayor, otherwise known as Red Rudy. We had on, a personal level, good relations; but, he didn't mind sticking his finger in the American eye to the extent he could. He did it once and infuriated Wolf. There was a photographic display at one of the museums, and one of the photographs was of some absolutely horrendous activity in Vietnam. I forget what. It wasn't the little girl running down the street screaming, but it was something like that. It really didn't fit with the theme of that photographic exhibition, and Wolf was furious. He stormed over to the mayor's office and said, "That comes out this afternoon or there will be hell to pay." By God, he got it out.

Q: Good for Wolf. He can work a man over, I know. Did you get uto the embassy in Bonn often?

BLAKE: I don't know how it is around the world, but in several of the countries I was assigned to, the Deputy was in charge of the E&E planning, which is the emergency and evacuation plan. While I was in Frankfurt, I revised the Consulate General's emergency and evacuation plan to include information on hospitals, hotels, airfields, etc. In the consular district, Rhein-Main Airport, just outside Frankfurt, is the most active airport on the continent of Europe. It seemed to me that Frankfurt would be a logical safe haven for Americans evacuated from danger in other countries. I was subsequently told that the Frankfurt E&E plan was most useful during the evacuation of Americans from Iran in the late '70s.

There were E&E meetings in Bonn every six months or so. Also, I would get up to Bonn from time to time to talk to the Economic Minister, Ed Crowley, as I had known him. So every six months or perhaps more frequently, I did visit Bonn. Moreover, Embassy officers came to Frankfurt from time to time.

Q: Were there any leftovers in Frankfurt from your days dealing with the DPs [displaced persons] and refugees, or were those problems all behind?

BLAKE: Those were all behind in the sense of resident displaced persons. Nevertheless, Germany had a very liberal policy on the admission of persons seeking political asylum. Our visa law had been amended since I was on the displaced persons program to permit the issuance of visas to political refugees. It was very easy for a person to become a political refugee in Germany, and then come to the Consulate General to apply for a visa as a political refugee. During the 1970s, as the Soviet Union relaxed its restrictions on the emigration of Jews to Israel, a number of Soviet Jews obtained emigration permits, then left Israel for Germany where they applied for visas to enter the United States as political refugees; some even left the train in Vienna and came to Germany without going through the formality of entering Israel. The Consulate General in Frankfurt was the only office in Europe (there were none in the Middle East) to issue visas to political refugees seeking asylum in the United States. You knew that the people, when they left the Soviet Union and diverted in Austria, had never had any intention of going to Israel, so they were really playing fast and loose with our law. But, an interpretation by the U.S. Government found them eligible for political refugee status in the United States.

While Wolf and I were in Frankfurt, we had one extremely interesting case of political asylum seekers. After the military coup in Ethiopia had deposed the Emperor, American missionaries of the Lutheran faith smuggled 17 children from the extended royal family out of Ethiopia to Kenya. Our Embassy in Addis Ababa was furious and demanded that they be brought back to ease tension that had developed in our relations with the military government. The Embassy said the military rulers of Ethiopia assured them that nothing would happen to these children. The missionaries insisted they could not return the children because the government had already executed various relatives of these children and were prepared to exterminate all members of the royal family. The missionaries became concerned about the proximity of Kenya to Ethiopia, and they and the children suddenly popped up in Stockholm, Sweden. This was about 1977.

Some days later, Wolf got a call from the Chargï¿½ in Stockholm and asked me to sit in. The Charge said, "I have got a real peculiar problem here. I was just visited by some missionaries who have these Ethiopian princesses and princes here, and they are becoming increasingly concerned because these children stand out in Stockholm. They believe that the Ethiopian Government will send squads to murder or kidnap the kids. They have been looking at their options and would like to go to Germany where they think that the kids would blend in better because of the black military presence.

For some reason, probably because Frankfurt was such a large post, we had been receiving all of this traffic. We knew of the outrage in Addis Ababa because the missionaries were now in Stockholm. We knew the Department was very skittish about all of this, so, over the phone, we said, "It is really very difficult for us to put anything in writing. On the other hand, if the missionaries should pop up here with children, what could we do?" The Charge said, "I read you." He hung up. Two days later, a Marine security guard called up to the front office and said, " I have got some folks down here with all these children. They say they are missionaries, and the children are princesses and princes. What do I do?"

Q: I have got a headache!

BLAKE: We had expected them to pop up. We told the guard to have the visitors brought to the conference room. I think the oldest was about 17 or 18; the youngest was about four. The missionaries were quite concerned, and we talked with them and said, "We will tell you what you have to do." We walked them through the procedure for applying for political refugee status and so on. They said, "Fine," they would get in touch with the Lutherans back in the United States. We asked the missionaries where they were going to stay while in Frankfurt. They said, "Don't worry about it. We have got a place," and they gave us the location. It was in the American area near a military compound. There were a lot of blacks and whites in that community, and they could blend in better than in Stockholm.

After they left, we sent a message to the Department saying unaccountably we find that we have got these missionaries and children in Frankfurt. The missionaries want to apply for political refugee status for these children. I think about two to three months later, the party left for the United States. Before they left, we called them in again. We advised them that political refugees in the United States must eschew political activity. We thought this really didn't mean a lot because they were kids. They said they understood and they would be very careful in what they said and what they did; and, the missionaries stressed this to the children. They went off, and about nine months later, we were astounded to read in the Stars And Stripes that the 18-year old prince had joined a rock music group to give a performance to protest the government in Ethiopia. So, we got in touch with the Lutheran office in Germany and urged them to pass the word back to him that he was putting his political refugee status in jeopardy. We presume that he received the message, as we heard no more of his participation in the concert.

Q: Some of the problems you faced.... Did the Germans you met in your days in Frankfurt believe in reunification or that the Berlin Wall would ever come down, or did they just accept things as they were?

BLAKE: I don't remember any serious discussion of this. Wolf and I divided the chore of attending political rallies and party conventions, and I don't recall the plight of refugees from East Germany or unification ever getting more than lip service. Unification seemed a long ways off in the 1970s. My contacts were primarily with bankers and businessmen who were rather affluent and rather comfortable. They really didn't think about those things. They recognized that, if the Wall came down, there would be terrific economic consequences that might be adverse to their interests. I don't think they particularly worried about it. They even liked the Social Democratic Government under Helmut Schmidt. As I was leaving in 1978, the first campaign between Helmut Schmidt (SPD) and Helmut Kohl (CDU) began. My contacts were fond of saying, "We hope that Schmidt wins, but by such a narrow margin that he has to be very careful what he does," which is the way the election went.

Q: Well, after your three happy years there, you moved back to Central America or Panama. How did that come about?

BLAKE: I was coming up for transfer. I was still without an assignment and was becoming concerned. John Bushnell telephoned me from the State Department; he was Deputy Assistant Secretary in the American Republics Bureau then, he said, "Mel, I see that you are coming up for assignment. I wonder whether you would go to Panama, because we are going to implement the Panama Canal Treaty. The Senate had approved the Treaty and the instruments of ratification had been deposited. Now, in the interim, he said, "It is going to be an awful lot of work. It will be very interesting work that we think you would enjoy." I said, "John, I haven't even thought about taking on the Economic Counselor job in Panama, but I have seen that the position of DCM is open. I wonder if I could apply for the Deputy." He said, "Well, Mel, I think that has already been filled, but in point of fact, you wouldn't have had a chance." I said, "Why is that?" He said, "The Department is very keen on advancing minorities, and Terry Todman (the Assistant Secretary) has announced that American Republics Affairs is going to be a model for the Department. With the announcement that day of the appointment of a woman ambassador, 50% of the ambassadors in ARA will be representatives of a minority. We are woefully short on the DCM side. He wants to make 50% of the deputies also from minorities."

I explained, "John, I am a minority." He said, "How's that?" I said, "I am from Mississippi. When I was young, Mississippi was 60% black, 40% white." He said, "Yes?" I continued, "And John, I am a Catholic. Catholics in Mississippi are well less than one percent of the population." He said, "Yes." I said, "Now, John. It is even better than that. I had a Jewish grandmother." John hesitated and then said, "Mel, I understand what you are saying, but you are not minority chic. You have to be minority chic. You have to be either black or a woman. You don't make it." I said, "Fine John, I'll take the job as Economic Counselor."

Q: What were some of the problems you faced there in Panama?

BLAKE: I got back to the Department, and John and I had several long conversations. He said it is critically important that we get all of the executive agreements and other agreements dealing with the Treaty in place within 15 months. Why 15 months? For some reason, I didn't ask him. In any event, there was this matter of getting these various agreements negotiated and signed. Basically, the agreements undid the intertwining of the Panama Canal Company and the Republic of Panama and established a relationship between two sovereign nations regarding an asset, the Panama Canal, in which they had a mutual interest. By the terms of the Panama Canal Treaty, Panama received the Canal on October 1, 1979, but the United States continued to operate it until the year 2000. Moreover, there were certain parallel arrangements that had to be unscrambled and responsibility handed over to Panama. For example, the FAA administered the Panama flight information center, and we had to hand over that responsibility to Panama.

I should explain that there are actually two treaties, the Panama Canal Treaty and the Panama Canal Neutrality Treaty. The Panama Canal Treaty is the one which drew the greatest attention, required the most time and effort, and would have resulted in serious problems if anything went awry. Further, it required implementing legislation, since the United States would administer the Canal for another 21 years after the Treaty entered into effect. Also, turnover of responsibilities and the continuance of certain military facilities in Panama involved costs and further negotiations. Implementing legislation required the approval of both houses of Congress, whereas consent to ratification of the Panama Canal Treaty required action only by the Senate. Many House members were furious that they had not had a say in the Treaty and were spoiling to get a crack at the implementing legislation. From Panama, it appeared that the Executive Branch, or perhaps the White House, did not appreciate the significance of the implementing legislation. As I recall, the Ambassador made five trips back to Washington to lobby Congress for passage of the implementing legislation, and I accompanied him on two of these trips. In fact, it was a close call, and the legislation was approved by Congress on September 28, 1979, only three days before the Treaty was to go into effect.Little was said about the Panama Canal Neutrality Treaty. In it, the United States and Panama committed themselves to the permanent neutrality of the Canal and undertook to obtain similar commitments from the world community, in particular the major users of the Canal. Little was done to obtain additional adherents to the Neutrality Treaty, I suspect, because the problems surrounding the basic treaty were immediate and pressing while the matters with which the neutrality treaty was concerned were more conceptual.

Charles Schmitz was also sent to Panama as Counselor for Treaty Implementation. He would manage all of the arrangements to implement the Treaty across the board. He kept score on them and so on. Some of the things he handled himself; other issues dealing with economic or financial matters were given to me.

Q: Sounds like a lawyer or something.

BLAKE: Charles was a lawyer. He had been in the legal division, but he had a career of negotiating military base rights. He was the one who handled Okinawa reversion, for example.

Q: Oh, yes. That was a big thing.

BLAKE: Charles and I arrived in Panama about October 1, 1979; the Ambassador arrived two days later. Charles coordinated treaty implementation, and I negotiated the economic and financial aspects in addition to running the Economic Section. I found that the Panamanians were euphoric over the Treaty. They felt that, for the first time in our relationship, the United States was going to treat them as equals, so I found it easy to handle the negotiations I was in charge of. In point of fact, I got all of my negotiations done within three months. In the process, I learned that Panama had owed us $5.8 million for temporary housing we had provided them for the Pan American games in the 1950s, and I arranged to collect that debt as well. Nevertheless, it took a year to explain to Washington what a good deal I had gotten from Panama. So, the time did run out to 15 months. The Panamanians were wonderful people to negotiate with, in no small part, because they were so pleased with the relationship. I think they probably didn't mind the store as well as they should have.

The Ambassador was Ambler Moss. He had been in the Foreign Service. After I retired, I was told by William Walker, who had been Chief of Foreign Service personnel, that ambler was the best junior officer he ever saw. He had worked as staff aide to Sol Linowitz while he was U.S. Ambassador to the Organization of American States. Ambler also had gone to law school at night while serving in the Department and had passed the bar. When Sol Linowitz left the government at the change over from the Johnson to the Nixon Administration, he rejoined Coudert Brothers law firm and asked Ambler to take leave without pay and join Coudert for a year to see whether he would enjoy a career change. Ambler liked the practice of law so much at the Coudert office in Brussels that he decided to stay with them.

Linowitz was brought back into government in 1978 by Jimmy Carter to negotiate the Panama Canal treaties, and Ambler was his assistant in that effort. After the treaties had been negotiated, the White House asked Ambler to become Deputy Assistant Secretary of State for Congressional Affairs with the sole job of obtaining Senate approval of the Treaties. The day the Senate approved the treaties, Ambler resigned. A friend of mine, David Eugene Boster, was asked then by the State Department to go to Panama as Ambassador. Gene's nomination went over to the White House and Hamilton Jordan saw it. He said that Mr. Boster seems to be a very fine officer, but it has been a very difficult fight to get the Panama Canal Treaty through the Senate, and we have this fellow, Ambler Moss who knows the treaty very well. Maybe, we ought to send him to Panama. So, Ambler got the job.

As I said earlier, I favor professional diplomats over political appointees as ambassadors. Ambassador Davis, at Bern, was an exception. Ambler Moss was another. As he had resigned his commission as a Foreign Service officer to join Coudert Brothers, he was, at least technically, a political appointee ambassador. He was only some 38-40 years old, extremely young for a career officer to be named an ambassador, and he had, in fact, only one foreign assignment as a career officer. Nevertheless, he was uniquely equipped for the job. First, he was extremely intelligent, and he was flawless in Spanish. Second, his connections gave him panache. When necessary, he could call to the right level in Washington or Panama to get results. And, he was extremely well regarded on Capitol Hill by Members of Congress of both political parties. Even though he was a Democrat, he had a close and productive relationship with Senator Howard Baker, one of the few Republican Senators to support the Treaties. I might also note that his wife, Serena was the grand daughter of Sumner Welles, had lived abroad with her father, Ben Welles, who was with The New York Times, spoke excellent Spanish, and was a great Ambassador's wife.

Q: Who was the DCM?

BLAKE: The Deputy Chief of Mission was Victor Dikeos, a careesecurity and administrative officer and a pleasant person to work with.

After I had been in Panama 3-4 months, the Department's personnel office telephoned to ask me whether I would be interested in a transfer to Bonn as Economics Minister. That would have been an important job, but I had already had 11 years in Germany and was enjoying Panama. As the AID mission director was retiring, I asked the Ambassador whether he would consider combining the AID mission and the economic section under me; such a combination had been done before in Panama. He said that he would think about it, but I heard no more until the spring. One day, Vic asked me to see the Ambassador before I left at the end of the day. When I saw him, the Ambassador said that Dikeos had unexpectedly submitted retirement papers. He wondered whether I would take the position of DCM. Naturally I accepted and took over around July 1, 1979.

I took over as Deputy at a busy time. The Somoza regime was falling in Nicaragua, and Americans were evacuated from Managua to Panama. For several weeks, we were running a nonstop evacuation and relief operation out of the Embassy. Then, we had to prepare for the turnover of the Panama Canal to Panama on October 1, 1979. Actually, we continued to operate it until 2000 under what was akin to a leaseback arrangement. To do this required implementing legislation, and it was a difficult fight to get Congress to pass it.

This was the first time that the United States had given up territory in the Western Hemisphere. There was tremendous jingoistic opposition in the United States. The Treaties had been approved by only one vote in the Senate, as I recall, and the implementing legislation had been in serious trouble. Many opponents of the Canal turnover to the Panamanians took the view that the United States had the constitutional, if not international, authority to retake the Canal if President Carter was defeated in his run for a second term in 1980. These domestic U.S. considerations impacted the selection of the U.S. representative to the celebration.

For its part, Panama wanted a major celebration of the greatest event since the country had achieved its independence from Columbia. The Presidents of all of the member countries of the Organization of American States were invited, as well as the presidents of numerous countries with which Panama had strong economic or cultural relations. All of the Presidents of OAS members, save the United States, announced their intention to attend, and high officials, at the Ministerial level came from other countries. However, even as the date approached, we at the Embassy were uninformed on the U.S. representative.

We were told by Department officers that President Carter maintained from the beginning that he would not attend, seemingly for domestic political reasons. Similarly, Vice President Mondale said that he would not attend. Zbigniew Brzezinski, the National Security Adviser, was indicated to the Department as the likely Head of delegation. When he learned of this, apparently Brzezinski strongly objected. He protested that Pope John Paul II was coming to the United States and would be in Boston during the Canal ceremonies. As he was a Pole, a Catholic, and the only person in the White House who spoke Polish, he considered himself the logical person to greet the Pope. We were given to understand that Mondale insisted that he should greet the Pope since it would be inappropriate for the President to go to Boston for this purpose. In the end, and I think it was only about two weeks before the event, the President decided that Mondale was the appropriate person to represent him in Panama and that Brzezinski should meet the Pope. Mrs. Mondale did not accompany the Vice President.

For security reasons, the Embassy had reserved the entire Holiday Inn, actually an excellent multi-storied hotel with a magnificent location on the Bay of Panama. This had been done with the approval of the Department. The General Manager was close to the Embassy and confided that he had to cancel existing reservations to make the Holiday Inn available to us. Virtually all the other guests were to stay at the El Panama Hotel, which the Panamanian Government used for state occasions. It rated above the Holiday Inn, but we at the Embassy were concerned over security for the Vice President. The El Panama was an old hotel with far too many entrances for adequate security controls, and we also Had concerns regarding the number of security personnel from other countries who would be roaming the corridors of El Panama but did not have the training and discipline of our security personnel.

Once our official representative had been decided upon, things began to fall in place. But, one thing that fell out was our arrangement with the Holiday Inn. When the Vice President's staff heard that he would be staying at a "motel," as they described it to us, they insisted that he be housed at El Panama; otherwise he would be the object of ridicule. At that point, it was extremely difficult to get sufficient accommodations at El Panama for the entire U.S. party, and the Holiday Inn incurred a loss from our abrupt cancellation.

An immediate problem was the size of the support party to accompany the Vice President, some 200 persons as I recall, and we were told that they were to be invited to every function surrounding the ceremonies irrespective of rank or responsibility. The size of our party put a strain on the Panamanian protocol officials who were trying to accommodate all the attendees.

I won't attempt to go into the details of handling a high-ranking visitor and his/her support party or the demands that this party made on the Embassy. I found myself placating an increasingly unhappy staff, unhappy with the ridiculous demands being made upon us, while bringing the more egregious requests from Washington to the Ambassador's attention. Usually an Embassy deals with visitors through the Department, but, in several instances here, Ambler went directly to Richard Moe, the Vice President's Chief of Staff. In every case, save one, he was able to work out a satisfactory solution.

The exception concerned the arrival time of the Vice President's plane on September 30. Some how, probably from a disgruntled Panama Canal Company employee, the Vice President's party learned that the American and Panamanian flags, which were mounted, one on each side of the entrance to the Panama Canal Company's headquarters building would be reversed on October 1. Historically, the American flag was in the place of honor, and Treaty opponents portrayed the installation of the Panamanian flag in the place of honor on October 1 as a blow to American honor.

When Mondale learned of the flag lowering ceremony, he asked the time. It was to be at sunset, I forget the actual hour and minute. We reported the time to Washington and received news that the Vice President would be arriving ten minutes later. This made Panamanian President Royo most unhappy. He had hoped that the United States would regard the turnover ceremonies as a joint celebration by our two countries. Yet, the report of the Vice President's arrival time absolutely confirmed what was becoming increasingly clear: namely, that having been objective and just during the negotiations, the United States was now turning churlish. After thinking about it for a bit, Royo noted that he would have been at the airport since early morning greeting arriving Presidents, the last arriving mid-afternoon. He would have been pleased to greet the Vice President, but he saw no reason why he should go home and then return after sunset. In the circumstances, he sent Vice President de la Esprilla to welcome Vice President Mondale. I was not present, but I was told that Mondale was annoyed not to be greeted by the President.

That evening, there was a program at the National Theater. With the utmost difficulty, we were able to get seats for the entire American party, which occupied over 20 percent of the seats. The Embassy had a reception afterwards at the Holiday Inn so that staff and resident Americans might meet the Vice President, but he did not appear. At midnight, the Panamanians unfurled a gigantic Panamanian flag on the hill overlooking Quarry Heights, where the Southern Command had its headquarters. This was not intended as an affront to the American military but to take advantage of a position from which the flag could be seen from any place in Panama City. By special act of the Panamanian Congress, the flag flies 24 hours a day and is illuminated at night.

The formal turnover ceremony was the morning of October 1 on the tarmac at Albrook Air Force Base. Unfortunately, the Panamanian speakers used excessive language in describing their accomplishments in regaining the Canal Zone territory. I wonder whether there would have been so much hubris if we had given the appearance of greater magnanimity in the hearings over the implementing legislation and had been more positive in preparing for the October 1 celebration.

After the celebration, the official representatives and the entire U.S. party moved to a luncheon hosted by the Vice President. Everyone was hot after being in the sun for up to two hours. The Vice President was about an hour late in arriving at the luncheon even though he was the host. He appeared fresh, and a number of the guests were not amused to learn that he had gone back to the hotel to shower. President Royo gave a splendid reception that evening at El Panama Hotel to conclude the celebration. Midway through the evening, we Embassy staffers in attendance were quietly asked to go to a guest room in the hotel. There, we were greeted by Mondale, in shirtsleeves, saying that we could now relax and be ourselves.

The Vice President's party left the next morning. As they were entering the plane, a member of the party told one of the Embassy's administrative officers that he recognized they may have offended people and asked him to make any apologies. Ted replied, "I have only two years remaining on my assignment. There's not enough time."

I mentioned earlier that it took about 15 months to get the Department's approval of several agreements to implement the Panama Canal Treaty. That was not a serious problem as the Panama Canal Treaty provided that the U.S. Government make payments to Panama for use of the Canal but did not establish a schedule for such payments. Before the negotiations on Canal payments, I had asked the Panama Canal Company to test various models to determine what would be the best schedule from the U.S. point of view. They advised that monthly payments would be the best for us, and the Panamanians accepted.

After the Canal turnover ceremony, we had three agreements ready for signature: one on U.S. payments to Panama, one on certain obligations of Panama to the United States, including the $5.8 million debt owed to us since the 1950s, and a third which I don't recall. We set a signing ceremony at the Panamanian Foreign Office toward the end of one morning in the Fall. I don't recall the date.Just after I got to work on that day, Bob Powers, the Public Affairs Officer, came to my office. The Press Officer, Bud Hensgen, had been called by a Panamanian reporter who said that he had heard that the Panamanian Foreign Minister was going to sign the agreement on U.S. payments to Panama and decline to sign the agreement on Panamanian obligations to the United States pending further study. The ceremony schedule called for the agreements to be signed in this order. As the Ambassador had calls before coming to the Embassy, I could not speak to him. Hence, I telephoned the Vice Foreign Minister, Joes Maria Cabrera, to confirm the story. After some hesitation, he said that it was correct and that the Panamanians had intended to tell us during the signing ceremony. At this, I replied that the ceremony was off. Jose Maria expressed surprise and inquired whether the Embassy had authorization to cancel the signings. I told him that this was a matter between the Embassy and the Department of State and suggested that he notify the press that the ceremony had been postponed.

When the Ambassador arrived, I told him what had happened. He agreed, and we telephoned the Department which agreed as well. Then I telephoned the Panamanian Finance Minister, Ernesto Perez Baillardes who was popularly known as El Toro, to request an urgent appointment. When I saw him that afternoon, I said that we were uninformed of any Panamanian unhappiness with any of the agreements. I was sure that we could work out a solution. Because of the scope for mischief, I suggested that we keep the misunderstanding out of the media. El Toro professed to be uninformed on the details and agreed that the matter had to be treated in strictest confidence.

I was astounded to read in the Panamanian press the next morning that I had once again proven to be an enemy of Panama and destructive of good relations between our two countries. There was speculation that I should be declared persona non grata. Clearly El Toro was the source of the stories. Funnily, roughly a year previously, an unclassified economic report I had written had caused a similar storm as it had not been regarded as favorable to Panama as it should have been. The flap blew over when President Royo asked the Vice Minister of Finance, Orville Goodin, to examine it, and Orville said that the report was correct and that he was the source of some of my comments.

The matter of the unsigned agreements dragged on. We would not have been in violation of our Treaty obligation until October 1, 1980. The Panamanians never contacted the Embassy regarding any problems with the agreement on Panamanian obligations. Royo did, however, mention to the Ambassador the agreements and Panama's need for Canal payments on several occasions. The ambassador expressed interest in settling the problem promptly. Finally, as October 1, 1980 approached, Royo suggested to the Ambassador that the agreements could be signed, as negotiated, during a certain period when he would be abroad. Clearly Royo wanted to distance himself from the agreements. And so it was done, but without fanfare.

Q: How large was the Embassy when you arrived? Was it a sizablembassy?

BLAKE: It was a smallish embassy in terms of State Department personnel; but, in terms of actual bodies, it was the tenth largest U.S. mission in the world. I think we had 16 Government agencies with regional responsibilities represented in Panama. It was similar to the situation we had in Frankfurt. Then, the Embassy had important inter-agency relations with the Southern Military Command and the Panama Canal Company. In fact, Brasilia, Mexico City, and Panama were the only Class I diplomatic missions in the Western Hemisphere.

Q: How big was your economic section?

BLAKE: The economic section was very small. We had a commercial attachï¿½, a junior officer, one secretary, two local employees, and myself.

Q: Was there opposition in Panama to the treaty or not?

BLAKE: When I arrived, and for the first year, I would say, on the whole, no. While a small minority of Panamanians profited from the status quo, the Panama Canal Treaty was widely acclaimed and resulted in a great deal of good feeling. The Panamanians had felt for years that they were under our patronage and that we treated them more as children than as an independent country; with the Treaty ratification, which meant the Canal and the Zone would be returned to Panama, they felt that, for the first time since their independence, they were being recognized as equals. The bruising fight over implementing legislation, the persistent right-wing comment in the United States that we could take back the Canal, and some of the language used by Presidential candidate Ronald Reagan and his supporters during the 1980 campaign resulted in a cooling of Panamanian innocence. You might say that they became more realistic in their expectations for future U.S.-Panamanian relations. I found it sad that time produced this result as the changed relationship lost us influence we could have used to produce a lot of good.

Q: Of course, this enthusiasm for the treaty was not carried over tthe American residents in Panama.

BLAKE: The Panama Canal Company employees who were American citizens were adamantly opposed to the Treaty, as were most of the American citizens who were permanent residents of Panama and, for the most part, ran small businesses. They regarded it as a State Department sell-out of American interests. The American businessmen in Panama, by and large, sided with the Panama Canal Company personnel but were not as vocal. The American citizens who represented large American corporations, principally banks, and were subject to periodic transfers, generally stayed above the arguments over the return of the Canal to Panama. The Embassy had a highly competent Consul General, Howard Gross, and his availability to American citizen employees of the Canal materially reduced their problems of adjustment to the new situation.By the way, when I got to Panama, over 70 percent of the employees of the Panama Canal Company were Panamanian citizens.

Q: What about the strong man General Torrijos. We have read about his involvement in the drug problem. Do you know anything about that? Were you aware of that when you were there?

BLAKE: General Torrijos was never, to the best of my knowledge, associated with drug trafficking. His brother, Hugo, was, however, suspected as being associated with the drug trade. Hugo was Ambassador either to Italy or to the Vatican. In the early 1970s, he was to transit the United States upon returning to Panama. The Justice Department had plans to pick him up while in transit at a U.S. airport. Kissinger had instructions sent to the Ambassador in Panama, at that time it was Bob Sayre, that he should notify Torrijos of the likelihood that his brother would be arrested and suggested that Hugo re-route his travel to avoid the United States. This was done. Somehow it leaked into the press and caused a great deal of embarrassment to Bob Sayre who had simply been following instructions.

Q: Yes, I can believe that. Well now, you were there during the visit of the Shah of Iran, or should I say more than a visit, to Panama. Can you describe that to us?

BLAKE: About December 1, 1979, I got to work, and Ambler was already there. I usually got to work before him, so that caught my attention. He asked me to join him in his office. He said, "You'll never know who I was sitting with up until a few hours ago." I said, "Who?" He said, "Hamilton Jordan." I forget the other person, maybe Lloyd Cutler, but I could be wrong. I said, "Really?" He said, "Yes. Now, we have company coming." I said, "Who?" He said, "The Shah of Iran." Around December 15th, the Shah arrived. He moved out to Contadora Island in the bay of Panama and stayed there for several months.

Q: Causing you no difficulty at the embassy or any problems?

BLAKE: Not really, no. The Shah was a very easy person to deal with. He had a American public relations man named Robert Armao, whom he had hired at the suggestion of David Rockefeller when it became clear that he would have to leave Iran. Bob told me that, in his first meeting with the Shah, the Shah asked him to arrange his departure from Iran with his extended family, noting that his sister had never had to do anything and didn't even know how to pack a suitcase. Bob was a principal contact between the Shah and us. It was only occasionally that anyone from the Shah's Iranian staff got in touch with us. This was consistent with the understanding that the Shah was a guest of Panama and should look to the Panamanians for logistical and other support.

There was, nevertheless, a source of friction from the day the Shah arrived. He came to Panama from the United States where he had been a guest of the U.S. Government, a guest whose presence became an embarrassment when Iranian students took over our Embassy with the ill-concealed approval of the Iranian Government. When the Shah left the United States for Panama, it was his understanding that he was still our guest and that he had access to U.S. facilities, for example, the U.S. Army's Gorgas Hospital in the Panama Canal area. For their part, the Panamanians assumed that he had left the hospitality of the U.S. Government and was now a guest of the Panamanian Government. They understood that we would have a continuing interest in the Shah because of the Embassy hostages and our decades-long relationship with him, but they assumed that they were responsible for his care and security.

Q: A rather indelicate question, but did we lean on the Panamanianto accept him?

BLAKE: Not at all. Ambler handled that directly with Torrijos, and Torrijos was quite pleased to have the Shah there. He perceived Panama as helping the United States when it was in an awkward position, and he likely thought that it would give Panama additional weight in its dealings with Washington. Besides, Torrijos enjoyed the publicity.

Within a brief period, however, relations between the Panamanians and the Shah and his entourage began to sour. Bob Armao complained to me that the Panamanians were gouging the Shah on the assumption that he had limitless funds. Torrijos told the Ambassador that the Shah's entourage were demanding and did not appreciate the financial burden placed on Panama by their presence. As best I could tell, both sides were right.

Then, things turned ominous for the Shah. The Iranian Government threatened to have him extradited as a criminal, making clear that the Shah would be executed upon arrival. At the same time, there were intimations that the Shah's return to Iran might lead to release of the Embassy hostages. As Torrijos was in a honeymoon phase with the U.S. Government, the Iranians were uncertain how long they could trust their hosts.

The Shah was an ill man when he arrived in Panama, and his health began to decline further in late January or early February. It appeared that he would need an operation, and the Shah understood that the arrangements on his stay in Panama permitted him access to Gorgas Hospital. The Panamanians took the position that he was a guest of Panama and that it would be an affront to the Panamanian medical profession if he were not operated upon in Panama. In fact, most of the Panamanian doctors I knew were trained in the United States and were quite skilled; further, Punta Patilla Hospital was highly regarded. Even so, the Shah and his party were reluctant to trust the Panamanian doctors and medical facilities. There may have also been some fear that he would be murdered on the operating table.

The Embassy was only marginally involved in these concerns. The Shah's friends in the United States, principally Kissinger and David Rockefeller, were putting pressure on our Government to have any operation performed at Gorgas, or even that the Shah be returned to the United States. Bob Armao made no bones about it that he would like the Shah back in the United States. In March, we were told that Dr. Michael Dubakey would be coming to Panama to assess the Shah's condition and to perform an operation. I believe that he arrived in early March. He was there at the request of the Shah, so the Embassy had only a secondary role.

Dr. Dubakey examined the Shah and toured Punta Patilla Hospital and went over arrangements with his Panamanian Government handlers. Then, problems developed. As Dr. Dubakey explained it to the Ambassador and me, he considered the Panamanian hospital adequate but not great. The problem was that the Panamanian doctors noted that he did not have visiting rights at that hospital and, hence, could not perform the surgical procedure. They would have no problem, however, with his presence in the operating room as an observer. Dubakey was opposed to this; as he put it, if the Shah should die on the operating table, the press would concentrate on him even if he had no part in the surgical procedure.

At this point, the Ambassador had to leave for David, near the Costa Rican border, to fulfill a long-standing speaking commitment. The next day, Dr. Dubakey was joined by other non-Panamanian doctors from the United States and France. All had treated the Shah or operated on him at one time or another. There was a split within their ranks, as some wanted the Shah returned to the United States for any operation or, at a minimum, to be operated on at Gorgas. Meantime, the Panamanian doctors became more insistent that there should be no operation unless a Panamanian team performed it. As one Panamanian doctor put it to me, "Panama is not Afghanistan, and we won't allow an itinerant surgeon here." This comment became a Panamanian battle cry. The media had learned of the dispute, and correspondents were pouring into Panama. By that afternoon, the situation had become so tense that I telephoned the Ambassador saying he should return to the Embassy. He arrived that night and went to see Torrijos at once. Torrijos was furious at the perceived slur upon the competence of the Panamanian doctors but asked one of his entourage, Marcel Salamin, to serve as intermediary with the Panamanian doctors.

There was intense scurrying around the next day. Ruffled Panamanian feathers had to be smoothed. The Shah had been moved to Punta Patilla Hospital somewhat against his will. Toward the end of the day, Salamin met with the Ambassador and me and said that the Panamanian doctors had reluctantly agreed that Dr. Dubakey could perform the operation and they would observe; but, any press releases would have to indicate that all parties were in the operating room and not indicate that Dr. Dubakey had the lead. Dubakey agreed.

I had to go to the Shah's hospital suite to explain to his aide, an Iranian colonel, that Dr. Dubakey would perform the operation. I had to spend several minutes in a sort of sitting room to his hospital room. An expensively dressed Iranian lady, a fur coat beside her, was sitting on a couch, spooning Cheeze Whiz onto crackers. She looked up apologetically and explained, "My supper." She was the Shah's twin sister.

The next day, there was a meeting of the Panamanian and other doctors. Everyone made an effort to be pleasant. Dr. Dubakey reviewed his findings and the surgical procedure that would be undertaken. The other American doctors chimed in. The Panamanians listened. This was a Friday, as I recall, and the operation was set for Sunday. Then, a French doctor, Georges Flandrin, spoke up. He described himself as the Shah's physician and asked Dubakey, "Is it urgent that the operation be performed so soon?" When Dubakey replied in the negative, Dr. Flandrin announced, "Tempers have become so inflamed that I would not trust any of you to operate on a patient of mine. I ask for a week's cooling off period." Although this would be inconvenient, Dubakey agreed.

Reports of the fighting between the doctors must have gotten back to the Shah. Two or three days later, we were told that he had decided to accept an invitation from President Sadat to return to Egypt, where he had been when he first left Iran. Our Government was somewhat reluctant to see him move again, probably because it might further complicate efforts to free the American hostages in Iran. Hamilton Jordan and Lloyd Cutler came to Panama to review the decision with the Shah. Their visit was secret; Jordan stayed with the Ambassador and Cutler at our house. As the Shah insisted that he leave Panama, they reluctantly agreed and arranged a charter plane for him and his party. The Shah departed Panama on March 24, 1980.

Q: What were your relations with the United States Southern Command,the military command?

BLAKE: The Southern Command was quite cordial on the whole. In Panama going back some 15 years or more, there was a tripartite committee, which met about every month or six weeks, and included the Ambassador, the Commanding Officer of the Southern Military command, and the Head of the Panama Canal Administration. The Panama Canal Company was renamed the Panama Canal Administration after the treaty entered into force on October 1, 1979.

There was one matter which caused some temporary unhappiness in Southern Command circles. With the exception of a brief period, I believe during World War II, the Embassy in Panama had no Defense Attache station. The Southern Command had purported to handle U.S.-Panamanian military relations. The Embassy did have a small Military Assistance Advisory Group, headed by a Colonel, to handle military aid and some training at U.S. military installations, but it was more akin to AID than it was to a diplomatic activity. After the treaties had entered into force, I suggested to the Ambassador that the Embassy should seek a Defense Attache, primarily to demonstrate to the Panamanians that the old regime was over and that we regarded Panama in the same light as we regarded any other country with which we had diplomatic relations. I also noted that there would be occasions when it would be desirable for the Embassy to deal directly with the Panamanian military rather than be obliged to go through the Southern Command. He agreed and we requested through channels that a Defense Attache station be opened.

Shortly thereafter, the officer in charge of Defense attachï¿½ stations in Latin America came from Washington to Panama and called on the Ambassador and me, along with several Southern Command officers.

They wondered why we wanted to depart from an arrangement that had seemed to work so well for decades. The Ambassador explained that we thought it time to put our defense relations with Panama on the same level as other countries in Latin America. When they found this unconvincing, I noted that we had a Defense attachï¿½ station at the embassy in Bonn, to cite one example, even though there were several major military commands in Germany. The Southern Command intelligence officer, a Colonel, then proposed a Colonel on the Southern Command staff. The Ambassador said that we would get back to them on this proposal.

The Ambassador and I knew this officer. He was a West Pointer and a bright officer, but he had been less than candid with us on several occasions and we doubted that he would transfer his loyalty from the Southern Command to the Embassy. As you can appreciate, the objectives and priorities of the Southern Command and any embassy within the Command's area of responsibility could diverge. At the Ambassador's request, I informed the Southern Command of his decision.

Then I telephoned the personnel officer in the Attache system. He was disappointed that we would not take the Southern Command officer but decided it would be best for that officer's career if he went elsewhere. Instead, he offered us Lieutenant Colonel Gerald Walker who was coming out of El Salvador where he had been Defense Attache, adding that he was the best attachï¿½ in Latin America. We accepted Walker and he did a splendid job. When he reported in, I told him that every intelligence agency in Panama was playing up to Noriega. As Defense Attache, he would present his credentials to Noriega, who was the principal intelligence officer in the Guardia Nacional at the time, but I wanted him to become intimate with the next generation of Panamanian military officers. Walker wrote a report on the comers that should have been a basic source book for years to come.

Let me also mention relations with the Panama Canal authorities. Prior to October 1, 1979, the Canal was under the Panama Canal Company, headed by an Army Corps of Engineers General with a Corps Colonel as his deputy. On October 1, 1979, the Company was renamed the Panama Canal Administration with an American civilian as the Administrator and a Panamanian as the Deputy Administrator. The first Administrator was Phil McAuliffe who had been a Lieutenant General and head of the Southern Command through September 30, 1979, when he retired from the Army. Phil was well known to the Carter Administration and he had testified persuasively on the treaties before various Senate and House committees. Phil's Panamanian Deputy was Fernando Manfredo who had participated in the Treaty negotiations and was well and favorably known to the U.S. Government. By the terms of the Panama Canal Treaty, Manfredo's appointment had to receive the consent of the Senate, as did Phil's.

Embassy relations with McAuliffe and Manfredo were excellent, I would say even better than relations with the Southern Command. The Embassy-Southern Command-Canal committee meetings continued, but Manfredo could not participate as we frequently discussed confidential matters. Lieutenant General Wallace Nutting replaced Phil as head of the Southern Command. Wally had been Commander of a tank division headquartered at Frankfurt, Germany, before coming to Panama, and we had always gotten along well. Occasionally he would express frustration to me over the nuances of being a sort of military diplomat to so many Latin American countries and lament that he had left the Fulda gap where it was so easy to distinguish the good guys from the bad. Phil was a polished Administrator and ran the Canal superbly, although at times he had to restrain himself from intruding upon Southern Command matters.

Q: Were you there when General Torrijos died in that plane crash onot?

BLAKE: I was.

Q: What was the effect of that?

BLAKE: It was a Saturday morning, July 31, 1981. I was just having breakfast when someone called from the military command and said that they had been asked by the Panamanian Government to make a search for a plane when daylight came.

General Torrijos' plane had left mid-afternoon Friday from Panama City to go to a mountain town he liked, but the plane never arrived. I immediately went to the Embassy. Ambler was taking a well-deserved long weekend at a beach resort with his family. By the time I got to the Embassy, a Panamanian civilian pilot had spotted the wreckage of the General's airplane on a mountainside and reported it. The Southern Military Command had rangers go in from helicopters to confirm that everyone aboard was dead.

Q: Did that have any immediate effect on our relations with Panamat all?

BLAKE: Well, it was one of those cases where there was intense cooperation between the Panamanians and us in efforts to find the plane. The Southern Command made an extraordinary effort to assist the Panamanians in recovering the bodies. As it was the rainy season and the terrain was mountainous and quite steep, this took two days, as I recall. The Canadian manufacturers of the plane and the American manufacturers of the engines wanted their own representatives on the team to assess the reasons for the crash. A number of media representatives flew in to cover the crash and try to get something sensational on the implications for democracy in Panama. While I was wrestling with these matters, I also monitored the reports coming in from other embassies and through the Foreign Broadcast Information Service (FBIS). Toward the end of the day, I saw an FBIS report from Moscow stating Tass had reported that the CIA had sabotaged the General's plane to kill him and get him out of the way. I immediately sent a telegram to Secretary Shultz protesting the story and urging him to call in the Soviet Ambassador in Washington and read him the riot act. When the CIA station chief saw a comeback copy of my telegram, he protested that the U.S. Government "neither confirms nor denies stories that have intelligence implications." I knew that this was our policy, but the Soviet slander was so egregious I considered that it needed redressing. Apparently the Secretary felt the same way, because the Soviet Chargï¿½ was called in on Sunday and given a dressing down. Even so, this fabrication persisted, and Graham Greene has it in the last chapter of his book on Torrijos.

It was difficult to reach the Ambassador at the beach resort. Actually, he met a Panamanian Government friend on the beach who told him of the crash. He telephoned me to confirm and returned to Panama City that night. Then, there were preparations for the funeral; the U.S. Government sent down a delegation that included Barbara Bush, the Vice President's wife, for the event. The Embassy was not a party to selection of the American delegation to the funeral services, but I understand that there was a bit of a tussle between the Vice President's office, which thought that she should be head of delegation, and the State Department, which took the position that Tom Enders, Assistant Secretary of State for American Republics Affairs, should be the head of delegation, this being necessary to ensure that an official representative of President Reagan was the Head of the U.S. delegation. The State Department prevailed.

There was a period of some uncertainty in the Panamanian Government after Torrijos' death. Florencio Flores, a solid soldier, took over the Guardia Nacional. He was considerably less flamboyant than Torrijos and made a competent leader. However, Manuel Noriega moved up to the number two position. setting the ground for future trouble. Thoughtful Panamanians began privately to express misgivings regarding the future.

Q: Do you recall any other problems during your stay in Panama?

BLAKE: As I said, the ground was laid by Torrijos' death for future trouble. Torrijos had tried, probably more than he was given credit for, to get the civilian leaders to take charge and run the government, with the understanding that they would keep their hands off the Guardia Nacional. Nevertheless, the civilians were reluctant to assume too much authority and kept checking with the General. They probably had reason to do so, because the Constitution was amended after the 1968 coup to give the Guardia Nacional equal status to the executive, legislative, and judicial branches of government. While Flores tried to stay above politics, the colonels under him, in particular Noriega, became more intrusive after Torrijos' death.

I never met Torrijos, but I did see Noriega from time to time. He was a complex man: shrewd and calculating, quite personable when he wanted to be, ambitious, and to my mind, without morals. Apparently he had severe acne when he was young, and he was quite sensitive regarding his appearance. A stocky man and, I presume, a good soldier. He was a graduate of the Peruvian Military Academy; virtually all Guardia Nacional officers either went to the military academy in Peru or El Salvador. Noriega was the Chief of Intelligence in the Guardia Nacional, but he also carried the responsibilities in the Panamanian Government of the FBI, DEA, and likely other law-enforcement or investigative agencies that I can't recall at the moment.

I first met Noriega in August 1979 shortly after I had become Deputy chief of Mission and during the period when the implementing legislation for the Panama Canal Treaty was being hotly debated in the U.S. Congress. A Panamanian informant told an Embassy officer that two American soldiers of fortune had been arrested while attempting an attack on the Guardia Nacional headquarters at David. One was Hispanic and the other a Caucasian named Fleming. Both had been in the Army in Viet Nam and had a hatred of communism. They had entered Panama from Costa Rica with the object of starting a revolution to overthrow the presumed communist government of Panama.

Fleming and the other fellow were questioned intensively at David. It appeared that they had been acting alone and they were to be transferred to the prison on Coiba island by helicopter. When Noriega heard of their activities, he was furious, and he ordered that, en route, they were to be thrown into the Pacific Ocean. The informant said that he had grown to like Fleming and found the two of them out of touch with reality but no threat to Panama and not deserving of the fate planned for them.

At the moment, the Ambassador was in Washington working the Hill in support of the implementing legislation. I decided to call on Arturo Morgan-Morales, foreign policy adviser to President Royo. As an aside, Morgan-Morales was an interesting fellow. His father had gone to Panama somewhat before World War I to establish a business, married a Panamanian lady, and stayed on. Arturo's parents sent him to Colorado College in 1941 to master English. Terrified that he might do something rash after the attack on Pearl Harbor, his mother telephone Colorado and learned that he had joined the Army. Being a good Panamanian mother, she started thinking of people she might get in touch with and recalled a young Army officer named Eisenhower. She wrote General Eisenhower a letter and never heard from him, but in the spring of 1942 Private Morgan-Morales was surprised to receive an assignment as General Eisenhower's Spanish language interpreter. After the war, Arturo finished college on the GI bill of rights. At the age of 28, he was Panama's Deputy Foreign Minister when President Eisenhower visited Panama.

Back to my story. I explained the situation to Arturo, noting that the news of the arrests had not come to the attention of the media. However, inevitably the two Americans' disappearance would come out and there would be a strong negative effect on Panama if it became known that they had disappeared in Panama. That would surely doom the implementing legislation. Arturo saw the gravity of the situation at once and excused himself to go speak to Royo. He returned a few minutes later and said that the President had telephoned Noriega that I was calling on him to discuss the disappearance of two American citizens.

I went to Noriega's office in the Guardia headquarters. I was ushered into a windowless waiting room, some 10 x 10 feet. The four walls were covered with paintings. When I examined them, I found that they were all of weeping children, seemingly 4-6 years old, from a variety of ethnic and geographic backgrounds. I suppose that this introduction to Noriega's world was designed to intimidate callers.

Noriega was quite pleasant when we met. He listened intently to my story of two Americans who had disappeared on the Costa Rican-Panamanian border and our concern that they might have become lost and wandered into Panama. He accepted my explanation that we were concerned for their well being and feared that, if anything happened to them, opponents of the Panama Canal Treaty might use it as a pretext to try to overturn the Treaty or to upset the good relations we were building between our two countries. Noriega said that he had just returned from a trip abroad, which was true, and would look into the matter and get back in touch with me.

The next day an Embassy officer told me that Noriega had discovered that, indeed, the Americans were in Panama and in Guardia custody after attempting to attack the Guardia headquarters in David. He was having them transferred to Panama City where they would be turned over to civilian authorities. Undoubtedly, they would have to be tried. The arrest then became public. The Consulate followed the case. After a speedy trial, the pair was found guilty and expelled from Panama.Some six months later, Fleming filed a law suit against the State Department and the Embassy for not assisting him. Nothing came of the case, however.

In the first half of 1980, I had occasion again to see Noriega. Howard Gross, the Consul General, briefed me on the case of a missing American with which he had been dealing. A young man from Florida had come to Panama to row by kayak from a point south of Colon, on the Gulf of Mexico side of the country, to the border with Colombia. He wanted to explore the San Blas Indian culture. He seemed a fine person; he had finished law school with honors and had clerked for and Appeals Court Justice, and was taking the vacation in Panama between that job and entering a law firm. He had telephoned his parents before leaving for Colombia; thereafter they heard nothing from or concerning him. The father had contacted the Embassy's Consular Section, which had made extensive inquiries but had turned up nothing. The father was en route to Panama, and Howard asked me to speak with him.

Howard brought the father to my office the next day. He acknowledged that his son had no experience with kayaks or paddling in open waters. He saw no problem, however, as his son was young and strong. If there had been a water accident, he was convinced that the kayak would have drifted ashore and would have been found. He wondered whether a search party could be dispatched. As there were no facilities for such a search in the Southern Command, I asked Howard to see whether Noriega had any suggestions. As the Guardia Nacional had stations in the San Blas, he might be able to help.

Noriega went farther than I would have expected. He instructed a Guardia coastal craft commander and crew to search the coast from Colon to the border with Colombia, and he allowed us to send a Vice Consul on the boat to assist in the search. It took a week, and the search turned up nothing. At one stop, however, the Indians said that the American had turned up and had spoken with the two Guardia personnel. They insisted that they had seen a young American in a boat and that he had left to continue down the coast. As the father was sure that his son had considerable funds on him for his return trip to the United States. He insisted that his son had been murdered. Noriega brought the two Guardia to Panama City for questioning but nothing turned up. The father then asked for searches throughout the interior on the assumption that his son may have paddled up a river which flows into the Gulf. This area had already been covered by the earlier inquiries for the missing son, but fresh inquiries were made. In all, it was a strong effort to help us, but the distraught father was never disabused of his conviction that his son had met with foul play.

My last encounter with Noriega took place two days before I left Panama. The U.S. Government was about to start a new program on drug interdiction in the Caribbean Basin. A DEA officer and the State Department's officer for drug policy affecting Latin America wanted to visit Panama and brief Noriega. Noriega was head of the Panamanian equivalent of DEA. The Embassy's DEA officer was the action officer for the visit, and he thought that the meeting with Noriega would have more impact if I, as the departing Charge, sat in on the meeting. When Noriega expressed interest in the meeting but found it difficult to work into his schedule on such short notice, I invited him to breakfast. He came with a young Guardia officer whom he introduced as his aide on drug matters and a translator. The State and DEA officers gave an extensive briefing. Noriega asked questions from time to time. I was interested that he worked through the translator, but interrupted from time to time give, in English or Spanish, a more accurate rendering of comments. Clearly he knew English much better than he let on. Back at the Embassy, the visitors expressed pleasure over the meeting and Noriega's interest in drug interdiction. As one put it, "Tony is really on top of drugs."

While I was in Panama, I never saw anything to indicate that Noriega was involved in drugs. During my last year there, that is, 1982, the Embassy was visited by several Congressional staffers who asserted that they had irrefutable evidence that Noriega was facilitating drug traffic through Panama. They promised to send such reports to the Embassy, but we never received them, and the Executive Branch treated Noriega as a partner in drug interdiction as long as I was in Panama.

Given the comments I was hearing regarding Noriega during 1982, I began to think that we should exercise some caution in relations with him. I think that one incident confirmed the need for caution. In the summer of 1982, the Embassy's DEA officer told me that a boat would be putting into a Panamanian fishing port on the border with Colombia, on the Gulf side. DEA understood that a sizable shipment of cocaine would be loaded, and the boat would be seized when it got back into international waters. He felt an obligation to tell Noriega of the plan. If he didn't, Noriega would see that he had been cut out of the loop and would be angry. As his instructions did not require him to inform Noriega, I advised against it, but he was new to the Embassy and felt that he should lean over backwards to maintain good relations with Noriega. He did tell Noriega of the plan and later told me that the boat was denied permission to dock as it approached the port. The planned seizure was frustrated.

In the spring of 1982, Ambassador Moss, who had remained from the Carter Administration into the Reagan Administration, submitted his resignation. It was accepted, and he left in June. I was told that I would remain as Chargï¿½ until the next Ambassador arrived. However, about the same time as the Ambassador's departure, the Panamanian Government announced that President Royo was stepping down to become the Panamanian Ambassador to Madrid and that Vice President Ricardo de la Espriella would replace him. The Guardia Nacional had forced him out. Royo was a fine lawyer and friendly toward the United States even though he was regarded as left wing. De la Espriella was brilliant; he was head of the Panamanian Central Bank at the age of 28. I am not sure why the colonels in the Guardia Nacional found Royo unacceptable, but they may have believed that de la Espriella might be more compliant. He struck me as nervous concerning his relations with the Guardia. We talked by telephone several times a week, and I recall that on one occasion a Guardia member answered by call to the President. De la Espriella usually saw me at the National Bank, where he retained, an office as he felt more relaxed there than in the President's office. When I mentioned the Guardia intercept to him, he said it and other evidence revealed that Noriega had tapped his telephone.

Whatever the case, I had known de la Espriella since my arrival in Panama, and we began a number of informal meetings on ways to bolster Panama's place in entrepot trade and as a neutral country. This meant efforts to build up international banking, insurance, and stock trading. Panama had already become a respectable international banking center, but the legislation needed refinement. There were some 70 international banks in the country, and the names reminded me of Frankfurt or Zurich. I should note that there was probably a lot of flight capital from other, less stable Latin American countries administered through Panama, but no evidence was ever presented to me that would have shown that Panama-based banks were engaged in laundering drug money. Historically, Panama had been a refuge for Latin American political leaders who had to leave their capitals suddenly to avoid arrest or something worse during a coup. Also, Panama had good medical facilities by Latin American standards, and many prominent Latinos would come there for treatment. It was thus logical to try to develop the economy by taking advantage of the country's location and orientation on the services sector. It also meant emphasizing efforts to obtain third-party adherents to the Panama Neutrality Treaty, which had been neglected since it had entered into force on October 1, 1979.

I was replaced by Ted Briggs, who came in as Ambassador, in late October 1982 before de la Espriella and I had time to achieve anything. As I was leaving, the Panamanian Government gave me the Balboa award, the highest honor that Panama bestows upon a non-Panamanian. Then de la Espriella was the victim of another coup within two years after Noriega took over the Guardia Nacional.

Q: Enough said about that. Then, after your four years, I believe, in Panama, you moved back to Washington where you became a foreign policy advisor. Tell me something about that.

BLAKE: I came back to Washington unassigned, and I was asked to do several interim jobs. I was asked to do public policy with regard to our involvement in Central America, the Sandinistas, and all of that. My principal responsibilities were to brief Members of Congress and delegations or groups, which called on the State Department to express opposition to our policy of support for the Government of El Salvador and our anti-Sandinista policy. I also had speaking engagements outside of Washington. One of the more interesting took place just after I began work in public diplomacy. It was at Smith College, an upscale women's college in western Massachusetts. All I knew was that I was asked at the last minute to go to Smith for a panel discussion of our Central American policy. At dinner immediately before the discussion, I was told that I was a stand-in for Ambassador Jean Kirkpatrick who had accepted and then backed out wen the College would not guarantee her personal safety. The panel had four members, three opposed to our policy and I in support of it. One opponent was the fellow who had been on the National Security Council during the Nixon Administration and had his telephones bugged by National Security Adviser Kissinger who suspected him of leaking material to the media. He kept pressing me on the U.S. support for the Contras. I had never heard of the Contras and made light of his statements. Within two months, U.S. aid to the Contras was commoknowledge. Although I engaged in public diplomacy on Central America for another year or so, the best that the Department could provide as guidance on the matter was that we could neither confirm nor deny the allegation that the United States was supporting the Contras.

I did that for about four or five months. Then, I was asked to be foreign policy adviser on the U.S. delegation to Geneva on an International Telecommunications Union negotiation, or rather, the western hemisphere region thereof. This was a satellite communications negotiation, which markedly expanded the number of channels that are available for all of the western hemisphere countries. The negotiations lasted some six weeks and were successful. The communications adviser to the Under Secretary reckoned the financial benefit to the United States at $20 billion.

Q: At that time, you were working out of Washington.

BLAKE: Yes. At that time, I was working for Diana Lady Dugan, who was a special assistant to the Under Secretary for Technology handling international telecommunications affairs.

Q: Then, you were assigned to the United Nations General Assembl(UNGA) as a Latin American advisor.

BLAKE: When I returned from Geneva in August 1983, I was asked to be Latin American advisor on the U.S. delegation to the United Nations General Assembly meeting for that year.

Q: Jean Kirkpatrick was our principal delegate in New York then.

BLAKE: Jean Kirkpatrick was our permanent representative and had thtitle of Ambassador to the United Nations.

Q: How did this work? What were your relations say with the Bureau of Inter-American Affairs? Were they close or were there other bureaus that got mixed up in it?

BLAKE: Each geographic bureau has its own man on the delegation, so I had a number of regional counterparts on the delegation. There were a Senator and Member of the House of Representatives on the delegation. Then, there were several people representing the private sector. And, of course, Jean Kirkpatrick, who was head of delegation, and several members of her staff.

Q: How about the Bureau of International Organizations? Did theplay any part in this?

BLAKE: Yes, they did, but they would deal with the permanent staff of the U.S. mission to the United Nations, not with the regional advisors.

Q: Now did you live in New York City at this time?

BLAKE: I stayed at a New York hotel.

Q: What were the principal issues you faced in your period at the UN?

BLAKE: The principal issue that came up, I think you might say, for the U.S. Government and certainly for the Inter-American bureau, was the U.S. invasion of Grenada.

Q: I see. That was in October 1983, as I recall. Apparently wwere beaten about the ears by a number of delegations on that one.

BLAKE: Yes, we were roundly criticized for the remainder of that Assembly meeting. It was rather interesting. As I recall, the coup d'ï¿½tat against the Grenadian Government took place on a weekend or on an early Monday morning. Certainly, when we got to the UN there was a great deal of snickering about it. I wasn't aware until that time, but, apparently, the Grenadians were regarded as an odd lot by others in the Caribbean community. Then, the coup leaders assassinated over 20 - I want to say 24, but I may be wrong - persons. They were principally leading figures in the Government the coup had overthrown, but they also included persons from the Grenadian intelligentsia. It was clear they were trying to wipe out the intelligentsia. At that point, the attitude of ambassadors from other Caribbean countries changed. They really became quite fearful. They recognized the Cuban hand behind the coup in Grenada and that their countries might be next.

At that moment, I had lunch with Bill Buffin. Bill was Assistant Secretary General of the United Nations with responsibility for the General Assembly meetings. He was a friend from our days in Bonn in the 1950s and had been involved in United Nations work for most of his Foreign Service career. He resigned after a tour as Ambassador to Beirut to become a top official at the United Nations. Bill was disturbed by the developments in Grenada and wondered why the United States didn't restore democracy as we had in the Dominican Republic in the mid-1960s. I shared his view and said that I would raise the point that weekend in Washington.

That Saturday, I dropped by the Department to see people in the American Republics Bureau. The Office Director for Caribbean Affairs was also concerned and asked me to speak to the Office Director for regional policy. This was Luigi Einaudi, and Luigi seemed unimpressed. I mentioned his disinterest to an old friend who was a Deputy Assistant Secretary in the Bureau. He said that Luigi took the position that Grenada was too unimportant to engage our interest, and he suggested that I speak to Roger Fontaine, the Latin American Adviser on the National Security Council. I telephoned him, and Roger asked me to come to the NSC at once. He was extremely interested in my report on the concern I had picked up in the UN corridors and said that it would be useful at a meeting he was about to enter.

I think it was early the next Tuesday morning when I received a phone call at my hotel room from Bill Buffin. He wanted to know whether I had heard the morning news. I replied that I hadn't yet turned on the radio, and Bill exclaimed, "We've invaded Grenada. Good work."Life was frantic after that. The English-speaking Caribbean nations were jubilant. We later learned that Eugenia Charles, as Head of the Caribbean Council, had asked for intervention, and the British Government had issued a legal opinion that she had the constitutional and regional authority to do so. However, the other hemispheric nations expressed varying degrees of outrage that the United States would invade another OAS member nation even to overthrow an illegitimate government. As we uncovered large caches of Soviet weapons, which were clearly intended for use in other Caribbean countries, they lowered their outcries against us but failed to support us. The matter was discussed both in the General Assembly and the Security Council, and the Soviet bloc became the principal critic of our action in Grenada.

Q: So in other words, the farther away from Grenada, the more yocould criticize the U.S. presumably.

BLAKE: Yes. With the exception of Great Britain and Germany, in Europe, and Israel, most of the developed countries either sat on their hands or offered only token support. The Soviet bloc led the opposition against us with developing countries and, somewhat at a distance, the Latin American countries, which, with the exception of Cuba, opposed us over time, more for historical reasons than for opposition to the stifling of what was clearly Cuban and Soviet attempted penetration of the Caribbean. We could always count on the English-speaking Caribbean countries to support us. The problem was these are very poor countries, and some of their ambassadors you might say were almost like an honorary council, an honorary ambassador. I remember once a vote coming up in the UNGA on our invasion of Grenada. I had to get in touch with the Ambassador from St. Kitts and Nevis, and I discovered that he was a taxi driver. I had a devil of a time running him down. I finally reached him by telephone. He said, "What time do you think the vote will be?" I said, "Probably about 5:00 P. M." He protested, "Rush hour, that is my best business. How long is it going to take? I can't afford to go off and make this vote." I had to really lean on him to get him to come back and vote.

Q: I'd say it was an honest answer. Were you there for the Falkland Islands dispute or was that gone?

BLAKE: No, that was earlier. I was in Panama.

If I may digress back to that, though. That was rather interesting. I was Chargï¿½ d'Affaires at the time and got a message, a flash message from the Department about 11:18 or 11:20. The message said that at 11:00 A.M. we are informing the Latin American ambassadors of our plans to help the British. We want you to advise the President instantly. I immediately telephoned President Royo and passed on the message as an urgent advance notice. He replied rather coolly, "Yes, I know. My Ambassador has already reported it to me. Embassies should have had that message before the Department met with the ambassadors." The Department put all of us in an embarrassing position with the Governments to which we were accredited.

Q: Yes, you know in moments like that, things get a little confused, even in the Department. How about the troubles in Central America we were going through at the time? Were they surfaced at the General Assembly, for instance with Nicaragua, with the Contras, with El Salvador and the fighting there.

BLAKE: They did, but they were overshadowed by Grenada. Then, I think too, the relations with the Sandinistas had not bottomed. All of the real problems and things that would have led to embarrassment to the United States did not become truly public for another six months and were taken up by the UNGA in the fall of 1984.

Q: What about the dispute between Peru and Ecuador? It was finallsettled I think by the OAS, but that didn't...

BLAKE: That didn't affect us. There were a number of minor issues.

Q: Well, and the Beagle Channel dispute between Chile and Argentina... That didn't come up?

BLAKE: No. We were prepared for a number of these issues, but they never really emerged, and they might have if it hadn't been for the dominant position of Grenada. Also, the agenda for the General Assembly meetings has to include matters of interest to all UN members, and there may simply not be sufficient time to schedule every outstanding international dispute. Much of the consideration of Grenada took place in venues other than the General Assembly. Much of my time was spent with Ms. Kirkpatrick in the Security Council dealing with Grenada there.

Q: Now, another country, Cuba. Did that cause you any headaches oproblems while you were there?

BLAKE: No.

Q: Did Ambassador Kirkpatrick take an interest in your work and thproblems in your area?

BLAKE: Oh, yes. Jean follows things very closely. You may recall that she wrote her Ph.D. thesis on Argentina, although she had never been to Argentina. I don't believe she spoke Spanish, but I was never in a position where she would have had to use it. The people with whom she dealt, the Latinos, spoke flawless English.

Q: During your period at the General Assembly, did you do any travethrough the area, to Latin America?

BLAKE: No.

Q: You were anchored in New York.

BLAKE: I was a member of a delegation to the United Nations General Assembly, which meets every year in the fall at the UN headquarters in New York City.

Q: Did you feel you got timely instructions from the Department, odid you have to keep badgering them to give you instructions?

BLAKE: The Department was in a very responsive mode, and they did do quite well. My contacts were exclusively with the American Republics Bureau.

Q: Did you do much liaison work with other missions at the UN?

BLAKE: Quite a bit. That, in fact, was the better part of my job. An issue would come up for a vote, and it would be my responsibility to contact the Latin American delegations. Upon occasion, for example, I met with the German and the English delegations. I remember, in particular, times when there would be a Latin American issue, and the person on our delegation who was responsible for that contact, say with the German delegation, would not feel comfortable in making a presentation of a Latin American issue, so he would ask me to do it for him.

Q: Well, any other thoughts about your time in New York and thissues that arose there?

BLAKE: Not really, no. I returned to Washington and spent most of 1984 working on public diplomacy with respect to Central America and, in particular, our support for the anti-Sandinistas in Nicaragua. A political appointee, Otto Reich, was put in charge of this activity while I was in New York. Otto is a Cuban-American and staunchly conservative.Related to our opposition to the Sandinista government in Nicaragua was our support for the government in El Salvador. We took the position that communist takeovers in Central America would put pressure on Guatemala and Mexico with the probability that millions of refugees would flee to the United States. At times, various high officials, including President Reagan, spoke of this concern. To my mind, the threat was overblown and the manner in which we conducted public diplomacy amateurish. For example, even though it had been common knowledge for a year that the United States was supporting the Contras in their efforts to overthrow the Sandinista Government and that Congress was debating the amount of aid to give the Contras, we were told, when we traveled around the country on speaking engagements, that we could neither confirm nor deny that there were Contras, much less that we supported them.

Nicaragua was, I fear, a subject that did not engage me. However, I was a strong believer in the cause in El Salvador. The Government there was in a most difficult position: The Salvadorian military really ran the show; atrocities were numerous but committed by both sides; and the civilians were truly trying to restore democracy. The Salvadorian Government called for national elections in May 1984, and the United States sent an observer delegation. I was part of it.

The Salvadorian candidates were Duarte, a moderate whom the U.S. Government favored, and d'Aubuisson, an extreme right-winger, presumably with ties to the death squads. Our delegation arrived the day before elections, in time for a briefing by the two candidates of all of the visiting observer delegations. There must have been 50 delegations in all from the Western Hemisphere and Europe. Most were official, but various political parties and interest groups were there, as well. In fact, El Paso Mayor Cisneros sent two observers.

Duarte came to the meeting with the observers and spent several hours answering questions. D'Aubuisson declined to come, saying that the process was rigged; also, he was likely unwilling to submit to the grilling he knew he would experience.

We observers spread throughout El Salvador the next day. With two other Americans, I visited several village polling places about two hours from San Salvador. It was wonderful to see the massive turnout. True, voting is mandatory in El Salvador, and voters have a finger dipped in ink after they have cast their ballot, as proof that they had voted and also, I suppose, to prevent them from voting again. Balanced against this was the revolutionaries' threat to kill voters or, at a minimum, to cut off the inked finger. Moreover, voters could claim an exemption from voting if they were sick or if travel or other conditions prevented them from getting to a polling place.

Even without the requirement to vote, I think that there would have been a heavy turnout, certainly by U.S. standards. I recall one case where we drove into a village and decided to randomly speak to people waiting in line to vote. I approached a young couple with a little girl about five years old. When I reached them, I realized that the wife was nursing an infant. They told me that they had walked two hours to get to the polling place, had been in line for an hour already and expected that it would be another hour before they could vote, and then were faced with a two-hour walk home in the middle of the day. I suggested that they could have requested an exemption from voting and asked why they made such effort to vote. The husband replied, "For God and my country."

The turnout was nearly 90 percent of the eligible voters. Duarte won. I came away with the impression that it would take considerable upheaval to shake El Salvador from the path to democracy. Despite considerable pressure from the revolutionaries, the elections were without incident. Violence was surprisingly low. As it happened, though, the helicopter carrying Tom Pickering, our Ambassador, was shot at twice as he flew from one polling place to another. No one on the helicopter was hurt.

Q: All right, when 1985 came, you were then sent to Bermuda as acting Consul General, I believe. How did this move to Bermuda come about?

BLAKE: Bermuda had traditionally been sort of a retirement post in the State Department. In 1981, we had an officer there, John Owen. While he was there, a fellow named Max Friedersdorf, who was in the White House as a liaison to the Congress, took some Congressmen to a meeting on Bermuda. This is a meeting of American and British parliamentarians that is held every other year. Max was enchanted by Bermuda and persuaded President Reagan to name him as Consul General to Bermuda. The rationale for it was that the Consul General on Bermuda and, I believe, the Consul General in Hong Kong were the only two consular officers that reported directly to the Department. All other consular offices are constituent posts to embassies. It was argued that Bermuda was a quasi embassy and, hence, suitable for a political appointee. Max got the job.

Then, Max abruptly resigned in 1983 to take a position as Vice President of Government Affairs for Pepsi Cola. In that capacity, Max was really working on the re-election of Ronald Reagan in the 1984 elections. This cover was widely known on Bermuda. It was probably illegal, which made it interesting because Max, prior to his appointment to the White House, had been Vice Chairman of the Federal Elections Commission. I had met Max in Panama when he came down in that capacity to advise the Panamanian Government on the procedures for fair elections.

The Department detailed a succession of Foreign Service officers for two or three months to Bermuda, and I was asked by the European Bureau to go to Bermuda for a month in January 1985. Then, I was asked to stay for another month, then another. Then in April, Herb Cohen, who was head of Personnel and a Deputy to George Vest in the Director General's office, telephoned and said, "I want to let you know that tomorrow you will be paneled to be assigned for two years as Consul General to Bermuda." I protested on the ground that it was the least responsible job I had had in many years. He said, "Well, the White House is putting on a great deal of pressure to name a political appointee, but we are going to go to the mat with them. We intend to say that we have a senior officer in Bermuda." I replied, "Herb, the State Department never goes to the mat with anyone, least of all the White House."

Now, I didn't tell Herb that I had discovered a folder marked "Friedersdorf, Max, personal. Please hold pending return" in the back of the Consul General's safe. I knew what Max had in mind, and, sure enough, I was paneled, and in late August or September, I got a personal message from the Under Secretary for Management that there was an agreement between the State Department and the White House that Max Friedersdorf would be returning to Bermuda. So, I came out in November.

Q: That is really a low blow. Did you have any major problemduring your months there?

BLAKE: No, although I found there was a lot to keep me amused and involved. For example, I discovered that we had never sent a person under the Exchange of Persons Program by United States Information Agency, from Bermuda to the United States. So, I sent a number of Bermudans to the United States under that program. The data for Bermuda show that each Bermudan takes 2.1 visits per year to the United States. Those are people with money, and there are many people - for example, those in the opposition political party, which is basically a black and a working class party, and teachers and people of that sort - who had never been to the United States or certainly had never been recognized by the U.S. Government.

I also learned that, in the 1970s, we had initialed an agreement under which we would transfer land occupied but no longer required or used by the U.S. Navy to Bermuda in exchange for a plot of land the Navy wanted to expand facilities at the Naval Air Station. While the swap had been agreed to, it was never consummated. Further, an Assistant Secretary of the Navy planned a trip to Bermuda, and it coincided with a flap over atomic naval vessels making port calls to members of the Commonwealth. At that particular moment, Australia had refused to receive an atomic-powered vessel, and the Bermuda opposition was applying pressure to have the Bermuda Government take a similar position.

As the Bermuda Government was still interested in the land swap, it struck me that we could use the Assistant Secretary's visit to deflect attention from the atomic vessel issue by having him sign the agreement on the land swap. Funnily, the State Department had lost sight of the land swap agreement, and it had never been recorded by the British Foreign and Colonial Office. An officer who had worked for me in Costa Rica was on detail to the Pentagon, and he found the agreement in their files. He sent it to the Department, the Department got in touch with the Foreign and Colonial Office, the Bermuda Premier got in touch with London, and we were able to pull off the signing ceremony. The atomic issue never came up.

Q: Were there any problems with drugs at the time moving to thUnited States through Bermuda?

BLAKE: No, never. We never had that problem. Bermuda has one of the best police systems I have ever known anywhere. It is clear that they learned their lessons from the British well. Nor was there any money laundering through Bermuda. We had an informal arrangement to cover that. I would say that Bermudans combine the better qualities of the British and the Swiss: discretion, respect for law and order, the ability to work informally and with respect for confidentiality, and quite, good taste.

Q: How about visiting firemen? Did they cause you any difficulty?

BLAKE: No particular difficulty, and I had a number of people come from high positions in government. Secretary of State George Schultz visited once, as did Secretary of Commerce Baldridge. Jean Kirkpatrick visited Bermuda shortly after she left the United Nations. Alan Greenspan came as a consultant to one of the Bermuda banks before he became Chairman of the Federal Reserve Board. We had a number of Members of Congress on the Island, most notably Senator Bob Packwood. The Consul General's residence had a separate guesthouse, and officials from the White House and a number from the Department had no hesitancy in inviting themselves to be our guests. Then, there were visitors from outside the Federal Government, for example, the Governor of New Jersey brought over about a hundred policemen who were being honored, the Hasty Pudding Club from Harvard, and so on. And then, we had several U.S. naval visits, in particular the Blue Angels flying team and the U.S.S. Eisenhower, an atomic-powered aircraft carrier.

I found that I could get mileage out of most of these visitors. To my surprise, at Bermuda I had a larger representational fund than the entire Embassy in Panama had while I was there. I found that I could use these visitors in representational functions. Two examples come to mind. It had been traditional for the Consul General to give a cocktail party, to which prominent Bermudans were invited, when the Hasty Pudding Club visited Bermuda. The logic was that a number of the guests would have gone to Harvard. I decided to invite a different group, namely, the class officers of the student body and the senior class of all the high schools on Bermuda, as well as Harvard graduates. And, the function was a noontime picnic with volleyball, etc. on the residence grounds near the beach. Although it was a bit cold at the time, the kids loved it.

For Secretary Baldridge, I gave a stag dinner and discovered that, by coincidence, one of the American guests had been a close friend of Baldridge while they were in college. This dinner took a perverse turn. In the after-dinner talk, Baldridge extensively criticized the State Department for never helping American businessmen abroad. This surprised the American guests as I hosted a monthly breakfast for the American business community for an exchange of views. Baldridge dropped his remarks when I suggested this was not the place to air any differences he had with State.

Funnily, three months later, Tish Baldridge, his sister, visited Bermuda. She had been Social Secretary to both Ambassador Claire Booth Luce in Rome and Jackie Kennedy when she was First Lady. We had a small party for her, and she was a gracious guest.

Q: After that in November of '85...

BLAKE: I returned to the Department. I was still over compliment. I was asked to do economic studies; one had apparently been requested by Secretary Schultz. That was the study of the economic function in the Foreign Service. It came out of his concern of how economic reporting was used, how economic responsibilities were handled, and so on. I never saw a memorandum from George Schultz asking for this. Apparently, he had raised it at a meeting of his principal officers, and had asked for it from his Assistant Secretary for Intelligence and Research. Intelligence and Research Bureau never did it. I think about a year had gone by, and, all of a sudden, Schultz had said where is my economic study, and everything went into a crash mode. I was asked to do this for INR but without any guidance whatsoever about what they wanted. In a sense, I was trying to divine what the Secretary wanted.

I did review the economic function as it was performed. In doing this, I saw that two very good economists, two very good officers, my old friend Bob Sayre and also Ernest Preeg, had also done this same study in the past. Looking into the background, I found that even more studies had been done, so I was a little bit unclear as to what was wanted. Bob Sayre's work was probably the definitive work on it. There was really no need in doing anything other than just implementing what Bob had suggested.

Rather than re-plowing ground that had already been so ably covered, I took a somewhat different approach and dealt with the question of how economic officers and the reports they submitted were used by the Federal Government and businesses. This led to consideration of leadership in the Department and leadership positions to which officers with an economic background were assigned. In doing this, I discovered that 70% of the career officers who are ambassadors came out of the political cone. I forget exactly, but about five or six percent came out of the consular and administrative cones, and the rest were out of the economic cone. There were no data on the Deputy Chiefs of Mission (DCMs). as no records were kept on the background of officers at the DCMlevel. Short of taking each and every DCM and going back and checking on his/her cone, there was no way to develop data, and there was not time for that. The Department's Office of Personnel speculated that career ambassadors tended to choose DCMs of their own background. Anecdotal evidence supported that view. No matter how you wanted to cut it, political officers dominated. Economic officers were clearly a distinct minority at the top of our diplomatic missions abroad.

I expressed the view in the report to the Secretary that the international problems that the government had to deal with were switching from the military and political field over time into the economic field. Economics would be even more important in the future, and I came out with a plug for more economic officers in leading positions. To my mind, the Department did not recognize the asset it had in economic officers and the changing international world in which they could play a useful part. Other Federal agencies recognized and used the talent which the State Department ignored. I discovered, for example, that the chief economist at AID, the chief economist at the Export-Import Bank, and the head of the Commerce Department's Foreign Commercial Service were Foreign Service officers who had come back from their posts overcompliment and were detailed to other agencies because the State Department could not find positions for them in the Department or abroad. It seemed to me that there was a mind set in the Department that failed to recognize the importance of economics. I might say, that when I say economics, I also include commercial activity, not just financial or macro economic reporting or matters of that sort.When I sent the paper around for clearance before sending it to the Secretary, the person who was my contact in the Office of General Counsel refused to sign off on it because, as she put it, there was no reason for the State Department to pander to the business community. I had to raise the problem with the Deputy Counsel General to get clearance. It wasn't pandering to the business community; it was taking into account that there is a very large American business community abroad with legitimate claims on the State Department, just as tourists, permanent U.S. residents abroad, and so on have a claim on the Department.

Even so, the report languished for months in INR before it finally went up to George Schultz who accepted it. He then sent back a message saying, "What can we do to implement? What can we do to change things around?" I started work on that. At that point, however, I reached the end of my career and retired on September 30, 1987.

In addition to working on these reports, I also served on various committees and boards in my last two years. Much of this work seemed "busy work" of little consequence, and I no longer recall the subject matter. In 1986 and again in 1987, I wrote evaluations of Foreign Service officers detailed outside the Department of State to the White House, the offices of members of Congress, other Federal Departments, and around the country to state offices. In 1987, I visited Europe to write evaluations of Foreign Service officers assigned as political advisers to commanding generals of major military commands. This responsibility gave me the opportunity to meet Bud McFarlane and John Poindexter, both National Security Advisers to President Reagan, and Larry Speakes, Reagan's press spokesman. In general, I found that non-State senior people held the Foreign Service in high regard but also could be more candid in their assessment of the competence of the persons detailed to their staffs than many of the rating officers on efficiency reports I read while serving on a promotion board.

Q: Well, then you retired in 1987 after 36 years working in the foreign affairs field. After that experience, Mel, what are your thoughts on the Foreign Service as a career nowadays? Are you recommending it to young people? Do you see it with the same eye as you did in 1951?

BLAKE: I would highly recommend it. There is absolutely nothing like the Foreign Service. It is a most rewarding form of work. I just can't praise it too highly. I think that my career shows that a Foreign Service officer deals with matters of great importance and significance to his country, yet one is seldom bored and often quite amused. Many friends say they would not recommend it to their young friends or children, but I don't feel that way.

Q: Do you have any final observations on your career or not, youexperiences?

BLAKE: Let me return to the matter raised by Secretary Baldridge. Over the years, I heard time and again that the Foreign Service did not support business. That was never my experience. I don't recall an Embassy or a consular post where the chief was not open to the business community. That does not mean that they, or anyone else, could do everything asked of them. But I can assure you that the concerns of U.S. business abroad were uppermost in our minds.

I always tried to be responsive to business. My first overseas post where I had exclusively economic/commercial responsibilities was San Jose in 1963-65. At that post, I developed the practice of meeting informally several times a year with American business leaders, usually for lunch at my home. I did the same thing in Frankfurt, Panama, and Bermuda. Ambassador Davis and I spent considerable time with American bankers in Switzerland. While I was on the Swiss desk in Washington in 1967, I assisted the U.S. Chamber of Commerce in establishing the first American Chamber of Commerce to cover all of Switzerland. When I first met Ambassador Moss in Washington before going to Panama, he asked me whether I had any thoughts on our prospective post. I mentioned that I had reviewed the Embassy reporting for the previous two years and came away with the impression that it had minimal contact with the U.S. business community, probably because of its concentration on the Canal Treaty negotiations. Further, I noted that, in Latin America, only Panama and Paraguay were without an American Chamber of Commerce, and I wondered at the lack thereof. This struck a responsive chord, and he suggested that I speak to Keith Micelli at the U.S. Chamber. Keith gave me some materials on establishing an American Chamber in Latin America, and I was able to encourage the establishment of a Panama Chamber my first year there.

You can see that Baldridge struck a nerve. But, it goes deeper than that. As I mentioned earlier, the Foreign Service Act of 1946 established a Foreign Service for the entire Federal Government. Congress did not intend that it be the overseas arm of just the State Department. In fact, Commerce and Agriculture had their own overseas services until they were quashed for budgetary reasons during the interwar period. In the 1950s, the Agriculture Department did secure legislation to establish the foreign Agriculture Service. Secretary of State Dulles was content to have it this way, as he saw no place in foreign policy for agriculture. He soon recognized that, as Kissinger put it, foreign policy is a seamless weave; you can't put foreign policy sectors in separate boxes and consider them out of context. Gene Boster was a staff aide to Secretary Dulles in the late 1950s, and he told me that Dulles once confided that he had made a mistake in letting Agriculture go and would not repeat it. At that time, Commerce was fighting to regain its own service.

Commerce did get its Foreign Commercial Service in 1980. Friends at the U.S. Chamber of Commerce have told me that the Chamber supported the establishment of the Foreign Commercial Service but later regretted it. More recently, other responsibilities have been taken from State, in particular the responsibility for trade negotiations. The result has been a tremendous increase in overall administrative and logistic costs for the Federal Government, an unsupportable increase in interagency committees and so on, and a diminution of concentration on development of comprehensive foreign policy initiatives. It's a gloomy scene, but perhaps the pendulum is about to swing back. The return, for example, of the United States Information Agency, arms control, and disarmament to the State Department are moves in the right direction. Perhaps, we can hope that reason will prevail, and State will regain more of the trade and commercial responsibilities.

Unfortunately, we have a generation of State and Foreign Service officers who do not know how it was before commercial activities and trade negotiations were taken from State, and they see foreign policy against a backdrop of a State Department that has traditionally looked down on economic and commercial work. I'm thinking of the way State turned down the offer of the Treasury international staff in the late 1940s and the young lawyer who made the "pandering to business" comment. But, I am basically an optimist and hope that the Foreign Service will regain its earlier status and be what Harold Nicholson called the world's best diplomatic service.

Q: Well, thank you very much, Mel. This is Tom Dunnigan signing ofon October 5, 1999, after my interview with Mel Blake.

End of interview